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*Nothing in this announcement constitutes an offer of securities for sale in the United States or any other jurisdiction where it is unlawful to do so. The securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any other place. Accordingly, the securities may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The securities may be offered and sold only in offshore transactions in reliance on Regulation S under the Securities Act (“**Regulation S**”), and in each case, in accordance with any other applicable law. This announcement is not for distribution, directly or indirectly, in or into the United States. There will be no public offering of securities in the United States.*

*Notice to Hong Kong investors: The Issuer (defined as below) and the Guarantor (defined as below) confirm that the Bonds (as defined below) are intended for purchase by professional investors only (as defined in Chapter 37 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange) and have been listed on the Hong Kong Stock Exchange on that basis. Accordingly, each the Issuer and the Guarantor confirm that the Bonds are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.*

**Weimob Investment Limited**

*(incorporated in the British Virgin Islands with limited liability)*

*(as Issuer)*

**U.S.\$300,000,000 Zero Coupon Guaranteed Convertible Bonds due 2026**

**convertible into ordinary shares of Weimob Inc.**

**(Stock Code: 40702)**

*unconditionally and irrevocably guaranteed by*

**Weimob 微盟**

**WEIMOB INC.**

*(incorporated in the Cayman Islands with limited liability)*

*(as Guarantor)*

**(Stock code: 2013)**

This announcement is issued pursuant to Rule 37.39A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”).

Please refer to the offering circular dated 2 June 2021 (the “**Offering Circular**”) appended hereto in relation to the U.S.\$300,000,000 in aggregate principal amount of Zero Coupon Guaranteed Convertible Bonds due 2026 (the “**Bonds**”). As disclosed in the Offering Circular, the Bonds are intended for purchase by professional investors only (as defined in Chapter 37 of the Listing Rules) and have been listed on the Hong Kong Stock Exchange on that basis.

The Offering Circular does not constitute a prospectus, notice, circular, brochure or advertisement offering to sell any securities to the public in any jurisdiction, nor is it an invitation to the public to make offers to subscribe for or purchase any securities, nor is it circulated to invite offers by the public to subscribe for or purchase any securities.

Hong Kong, 8 June 2021

*As at the date of this announcement, the sole director of the Issuer are is Mr. SUN Taoyong.*

*As at the date of this announcement, the Board of the Guarantor comprises Mr. SUN Taoyong, Mr. FANG Tongshu, Mr. YOU Fengchun and Mr. HUANG Junwei as executive Directors; and Mr. SUN Mingchun, Mr. LI Xufu and Mr. TANG Wei as independent non-executive Directors.*

## IMPORTANT NOTICE

**THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE PERSONS OUTSIDE OF THE UNITED STATES.**

**IMPORTANT: You must read the following disclaimer before continuing.** The following disclaimer applies to the attached offering circular (the “Offering Circular”). You are therefore advised to read this disclaimer carefully before accessing, reading or making any other use of the attached Offering Circular. In accessing the attached Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access. In order to review this Offering Circular or make an investment decision with respect to the securities, you must not be located in the United States.

**Confirmation of Your Representation:** This Offering Circular is being sent to you at your request and by accepting the e-mail and accessing the attached Offering Circular, you shall be deemed to represent to Credit Suisse (Hong Kong) Limited, Morgan Stanley & Co. International plc and China International Capital Corporation Hong Kong Securities Limited (the “Managers”) that (1) you are not in the United States and, to the extent you purchase the securities described in the attached Offering Circular, you will be doing so pursuant to Regulation S under the U.S. Securities Act of 1993, as amended (the “Securities Act”) (2) the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions, (3) you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission, (4) you (and any nominee and any person on whose behalf you are subscribing for the securities to which the attached Offering Circular relates) are not a “connected person” (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”)) of the issuer or the guarantor, which includes but is not limited to any director, chief executive or substantial shareholder of the issuer or the guarantor or any of their respective subsidiaries or any associate of any of them within the meaning of the Listing Rules, and (5) you (and any nominee and any person on whose behalf you are subscribing for the securities to which the attached Offering Circular relates) are, and will immediately after completion of the offering of such securities be, independent of and not acting in concert with, any of such connected persons in relation to the control of the issuer and the guarantor.

The attached Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of the Managers, the Trustee or the Agents (as defined in the Offering Circular) or any of their respective affiliates, directors, officers, employees, representatives, agents and each person who controls any of them nor any of their respective affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version. We will provide a hard copy version to you upon request.

**Restrictions:** The Offering Circular is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described herein.

**THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE SOLELY IN OFFSHORE TRANSACTIONS PURSUANT TO THE SECURITIES ACT. NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.**

Nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of the issuer or guarantor of the securities or the Managers, the Trustee or the Agents to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Managers or any affiliate of the Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Managers or such affiliate on behalf of the issuer in such jurisdiction.

You are reminded that you have accessed the attached Offering Circular on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached Offering Circular.

**Actions that You May Not Take:** If you receive this document by e-mail, you should not reply by e-mail to this announcement, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

**YOU ARE NOT AUTHORISED TO AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED OFFERING CIRCULAR, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING CIRCULAR IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED OFFERING CIRCULAR IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.**

**You are responsible for protecting against viruses and other destructive items.** If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

# WEIMOB INVESTMENT LIMITED

(incorporated in the British Virgin Islands with limited liability)

U.S.\$300,000,000 Zero Coupon  
Guaranteed Convertible Bonds due 2026  
unconditionally and irrevocably guaranteed by

 Weimob 微盟

WEIMOB INC.

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2013)

Issue Price: 100.00 per cent.

The U.S.\$300,000,000 aggregate principal amount of zero coupon guaranteed convertible bonds due 2026 (the “**Bonds**”, which term shall include, unless the context requires otherwise, any further bonds issued in accordance with the terms and conditions of the Bonds set out in “*Terms and Conditions of the Bonds*” (the “**Conditions**” and each of the Conditions, a “**Condition**”) and consolidated and forming a single series therewith) will be issued by Weimob Investment Limited (the “**Issuer**”), an indirect wholly-owned subsidiary of Weimob Inc. (the “**Guarantor**”). The due payment of all sums expressed to be payable by the Issuer and the due performance by the Issuer of its obligations under the Trust Deed (as defined in the Conditions) and the Bonds will be unconditionally and irrevocably guaranteed (the “**Guarantee**”) by the Guarantor. The issue price of the Bonds shall be 100.00 per cent. of the aggregate principal amount of the Bonds and the denomination of each Bond shall be U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.

The Bonds will, upon issue, constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) of the Conditions) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 4(a) of the Conditions, at all times rank at least equally with all of their respective other present and future unsecured and unsubordinated obligations.

Each Bond will, at the option of the holder, be convertible (unless previously redeemed, converted or purchased and cancelled) on or after 18 July 2021 up to the 10th day prior to the Maturity Date (as defined below) (both days inclusive) into fully paid ordinary shares of the Guarantor with a par value of U.S.\$0.0001 each (the “**Shares**”) at an initial conversion price of HK\$21.00 per Share (the “**Conversion Price**”). The Conversion Price is subject to adjustment in the circumstances described under “*Terms and Conditions of the Bonds – Conversion*”. The Closing Price (as defined in the Conditions) of the Shares on The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) on 24 May 2021 was HK\$16.06 per Share.

Unless previously redeemed, converted or purchased and cancelled, the Issuer will redeem each Bond at 105.11 per cent. of its principal amount on 7 June 2026 (the “**Maturity Date**”). The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on the date specified in the Tax Redemption Notice (as defined in the Conditions) for redemption at the Early Redemption Amount (as defined in the Conditions), in the event of certain changes to the laws regulations of the British Virgin Islands, the Cayman Islands, Hong Kong or the PRC or in each case, any political subdivision or any authority thereof or therein having power to tax on or after 24 May 2021, subject to the non-redemption option of each Bondholder after the exercise by the Issuer of its tax redemption option as described in the Conditions. The Issuer may redeem in whole, but not in part, the Bonds for the time being outstanding at the Early Redemption Amount (i) at any time after 21 June 2024 and prior to the Maturity Date **provided that** the Closing Price of the Shares (as derived from the Daily Quotations Sheet of the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange and translated into U.S. dollars at the Prevailing Rate (as defined in the Conditions)) for each of 20 out of 30 consecutive Trading Days, the last of which occurs not more than five Trading Days prior to the date upon which notice of such redemption is published, was at least 130 per cent. of the applicable Early Redemption Amount for each Bond divided by the Conversion Ratio (as defined in the Conditions) then applicable; or (ii) at any time prior to the Maturity Date **provided that** prior to the date on which the Issuer gives a redemption notice at least 90 per cent. in principal amount of the Bonds originally issued has already been converted, redeemed or purchased and cancelled (capitalised terms each as defined in the Conditions). The Issuer will, at the option of the holder of any Bond redeem all or some only of such holder’s Bonds on 7 June 2024 at 103.04 per cent. of their principal amount. The holder of each Bond will also have the right at such holder’s option, to require the Issuer to redeem all or some only of such holder’s Bonds on the Relevant Event Redemption Date at the Early Redemption Amount following the occurrence of (i) the Shares ceasing to be listed or admitted to trading or suspended for trading for a period equal to or exceeding 45 consecutive Trading Days on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange; or (ii) a Change of Control (capitalised terms each as defined in the Conditions). See “*Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation*”.

For a detailed description of the Bonds, see “*Terms and Conditions of the Bonds*”.

**PRIPs REGULATION/PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIPs Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIPs Regulation.

**PRIPs REGULATION/PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by the PRIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIPs Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIPs Regulation.

Application has been made to the Hong Kong Stock Exchange for (i) the listing of, and permission to deal in, the Bonds on the Hong Kong Stock Exchange by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) (“**Professional Investors**”) only; and (ii) the listing of, and permission to deal in, the Shares issuable on conversion, and such permissions are expected to become effective on 8 June 2021 and when such Shares are issued, respectively. This Offering Circular is for distribution to Professional Investors only.

**Notice to Hong Kong investors:** The Issuer and the Guarantor confirm that the Bonds are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Issuer and the Guarantor confirm that the Bonds are not appropriate as an investment for retail investors in Hong Kong.

The Hong Kong Stock Exchange has not reviewed the contents of this Offering Circular, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this Offering Circular to Professional Investors only have been reproduced in this Offering Circular. Listing of the Bonds on the Hong Kong Stock Exchange in not to be taken as an indication of the commercial merits or credit quality of the Bonds or the Issuer or the Guarantor, or quality of disclosure in this Offering Circular. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Offering Circular.

Investing in the Bonds and the Shares involves certain risks. Investors should be aware that there are risks relating to the exercise of Conversion Rights of the Bonds, and there are various other risks relating to the Bonds, the Issuer, its business and its jurisdiction of operations which investors should familiarise themselves with before making an investment in the Bonds. See “*Risk Factors*” beginning on page 21.

The Bonds, the Guarantee and the Shares to be issued upon conversion of the Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and, or other securities laws and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds are being offered and sold only outside the United States in reliance on Regulation S under the Securities Act (“**Regulation S**”). For a description of these and certain further restrictions on offers and sales of the Bonds and the Shares to be issued upon conversion of the Bonds and the distribution of this Offering Circular, see “*Subscription and Sale*”.

The Bonds will be represented by beneficial interests in a global certificate (the “**Global Certificate**”) in registered form, which will be registered in the name of a nominee of, and shall be deposited on or about 7 June 2021 (the “**Issue Date**”), with a common depository for, Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”). Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described in the Global Certificate, definitive certificates for Bonds will not be issued in exchange for interests in the Global Certificate.

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

Credit Suisse  
(in alphabetical order)

Morgan Stanley  
(in alphabetical order)

China International  
Capital Corporation

The date of this Offering Circular is 2 June 2021

**This Offering Circular does not constitute an offer to sell to, or a solicitation of an offer to buy from, any person in any jurisdiction to whom it is unlawful to make the offer or solicitation in such jurisdiction. Neither the delivery of this Offering Circular nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the Issuer's or the Guarantor's affairs since the date of this Offering Circular or that the information contained in this Offering Circular is correct as of any time after that date.**

This Offering Circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Issuer, the Guarantor and the Bonds. Each of the Issuer and the Guarantor accepts full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquires, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Each of the Issuer and the Guarantor, having made all reasonable enquiries, confirms that: (i) this Offering Circular contains all information with respect to the Issuer, the Guarantor and their respective subsidiaries and affiliates (collectively, the “**Group**”) and to the Guarantee, the Shares and the Bonds which is material in the context of the issue and offering of the Bonds; (ii) the statements contained in this Offering Circular relating to the Issuer, the Guarantor and to the Group are in every material particular true and accurate and not misleading; (iii) the opinions and intentions expressed in this Offering Circular with regard to the Issuer, the Guarantor and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to the Issuer, the Guarantor, the Group or the Guarantee, the Shares or the Bonds the omission of which would, in the context of the issue and offering of the Bonds make any statement in this Offering Circular misleading in any material respect; and (v) each of the Issuer and the Guarantor has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Each of the Issuer and the Guarantor accepts responsibility accordingly.

This Offering Circular is highly confidential. The Issuer and the Guarantor are providing it solely for the purpose of enabling the investors to consider a purchase of the Bonds. Investors should read this Offering Circular before making a decision whether to purchase the Bonds. Investors must not use this Offering Circular for any other purpose, or disclose any information in this Offering Circular to any other person.

The Issuer and the Guarantor have prepared this Offering Circular and are jointly and severally responsible for its contents. Investors are responsible for making their own examination of the Group and their own assessment of the merits and risks of investing in the Bonds. By purchasing the Bonds, investors will be deemed to have acknowledged that they have made certain acknowledgements, representations and agreements as set forth under the section entitled “*Subscription and Sale*” below.

No representation or warranty, express or implied, is made by Credit Suisse (Hong Kong) Limited, Morgan Stanley & Co. International plc and China International Capital Corporation Hong Kong Securities Limited (the “**Managers**”), the Trustee, the Agents (each as defined in the Conditions) or any of their holding companies, affiliates, subsidiaries, directors, officers, employees, agents, representatives or advisers (or any person who controls any of them) as to the accuracy, completeness or sufficiency of the information contained in this Offering Circular, and nothing contained in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Managers, the Trustee, the Agents or any of their holding companies, affiliates, subsidiaries, directors, officers, employees, agents, representatives or advisers (or any person who controls any of them). None of the Managers, the Trustee, the Agents or any of their holding companies, affiliates, subsidiaries, directors, officers, employees, agents, representatives or advisers (or any person who controls any of them) has independently verified any of the information contained in this Offering Circular and none of them can give any assurance that this information is accurate, truthful or complete. This Offering Circular is not intended to provide the basis of any credit or other evaluation nor should it be considered as a recommendation by the Issuer, the Guarantor, the Managers, the Trustee or the Agents that any recipient of this Offering Circular should purchase the Bonds. Each potential purchaser of the Bonds should determine for itself the relevance of the information contained in this Offering Circular and its purchase of the Bonds should be based upon such investigations with its own tax, legal and business advisers as it deems necessary. To the fullest extent

permitted by law, none of the Managers, the Trustee, the Agents or any of their holding companies, affiliates, subsidiaries, directors, officers, employees, agents, representatives or advisers (or any person who controls any of them) accepts any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by the Managers, the Trustee or the Agents (or any of their holding companies, affiliates, subsidiaries, directors, officers, employees, agents, representatives or advisers (or any person who controls any of them)) or on any of their behalf in connection with the Group, the Bonds, the Guarantee or the Shares. Each of the Managers, the Trustee, the Agents and their respective holding companies, affiliates, subsidiaries, directors, officers, employees, agents, representatives and advisers (and any person who controls any of them) accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

In making an investment decision, investors must rely on their own examination of the Group and the terms of the offering, including the merits and risks involved. See “*Risk Factors*” for a discussion of certain factors to be considered in connection with an investment in the Bonds.

Each person receiving this Offering Circular acknowledges that: (i) such person has been afforded an opportunity to request from the Issuer and the Guarantor and to review, and has received, all additional information considered by it to be necessary to verify the accuracy of, or to supplement, the information contained herein; (ii) such person has not relied on the Managers, the Trustee or the Agents or any of their holding companies, affiliates, subsidiaries, directors, officers, employees, agents, representatives or advisers (or any person who controls any of them) in connection with any investigation of the accuracy of such information or its investment decision; (iii) no person has been authorised to give any information or to make any representation concerning the Group, the Bonds, the Guarantee or the Shares (other than as contained herein and information given by the Issuer’s or the Guarantor’s duly authorised officers and employees in connection with investors’ examination of the Group and the terms of the offering of the Bonds) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor, the Managers, the Trustee or the Agents; (iv) such person (and any nominee and any person on whose behalf such person is subscribing for the Bonds) is not a “connected person” (as defined in the Listing Rules) of the Issuer or the Guarantor, which includes but is not limited to any director, chief executive or substantial shareholder of the Issuer or the Guarantor or any of their respective subsidiaries or any associate of any of them within the meaning of the Listing Rules; and (v) such person (and any nominee and any person on whose behalf such person is subscribing for the Bonds) is, and will immediately after completion of the offering of the Bonds be, independent of and not acting in concert with, any of such connected persons in relation to the control of the Issuer or the Guarantor.

None of the Issuer, the Guarantor or the Managers is making an offer to sell the Bonds, in any jurisdiction except where an offer or sale is permitted. The distribution of this Offering Circular and the offering of the Bonds may in certain jurisdictions be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantor and the Managers to inform themselves about and to observe any such restrictions. For a description of the restrictions on offers, sales and resales of the Bonds and distribution of this Offering Circular, see “*Subscription and Sale*” below.

Neither the Issuer nor the Guarantor is making any representation to the investors regarding the legality of an investment in the Bonds by the investors under any legal, investment or similar laws or regulations. Investors should not consider any information in this Offering Circular to be legal, business or tax advice. Investors should consult their own professional advisers for legal, business, tax and other advice regarding an investment in the Bonds.

*Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference in this Offering Circular: audited consolidated financial statements (including the notes to the financial statements) in the annual reports of the Guarantor for the years ended 31 December 2019 and 2020 which contained the consolidated financial information of the Guarantor for the years ended 31 December 2018, 2019 and 2020.

Copies of these documents can be downloaded from the website of the Hong Kong Stock Exchange at <http://www.hkexnews.hk> and the website of the Guarantor at [www.weimob.com](http://www.weimob.com) (the other contents of these websites do not form part of this Offering Circular).

The audited consolidated financial statements of the Guarantor as at and for the years ended 31 December 2019 and 2020 (collectively, the “**Guarantor’s Consolidated Financial Statements**”), which are incorporated by reference in this Offering Circular, were prepared and presented in accordance with the Hong Kong Financial Reporting Standards (“**HKFRS**”). The Guarantor’s Consolidated Financial Statements have been audited by PricewaterhouseCoopers, the independent auditor of the Guarantor.

The Guarantor has adopted HKFRS 16 “Leases” (“**HKFRS 16**”) retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. For details of the adoption of HKFRS 16, please refer to note 2.2 of the audited consolidated financial statements as at and for the year ended 31 December 2019. As such, the audited consolidated financial information as at and for the year ended 31 December 2018 may not be directly comparable against the Guarantor’s consolidated financial information as at and for the years ended 31 December 2019 and 2020.

## CERTAIN DEFINITIONS, CONVENTIONS AND CURRENCY PRESENTATION

We have prepared this Offering Circular using a number of conventions, which the investors should consider when reading the information contained herein. References in this Offering Circular to “**we**”, “**us**”, “**our**” and “**ours**” and similar terms refer to the business and operations of the Group, taken as a whole. All references in this Offering Circular to “**U.S. dollars**” and “**US\$**” are to United States dollars; all references to “**HK dollars**” and “**HK\$**” are to Hong Kong dollars; and all references to “**RMB**” or “**Renminbi**” are to Renminbi, the official currency of the PRC.

References in this Offering Circular to accounting periods are based on the Guarantor’s fiscal year, which ends on December 31.

We record and publish our financial statements in Renminbi. Unless otherwise stated in this Offering Circular, all translations from Renminbi amounts to U.S. dollars were made at the rate of RMB6.5250 to U.S.\$1.00, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on 31 December 2020. All such translations in this Offering Circular are provided solely for your convenience and no representation is made that the Renminbi amounts referred to herein have been, could have been or could be converted into U.S. dollars at any particular rate or at all. For further information relating to the exchange rates, see the section entitled “*Exchange Rate Information*”.

In this Offering Circular, because certain amounts have been rounded, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items, and actual numbers may differ from those contained herein due to rounding.

The English names of PRC nationals, entities, departments, facilities, laws, regulations, certificates, titles and the like are translations of their Chinese names and are included for identification purposes only. In the event of any inconsistency, the Chinese name prevails.

## FORWARD-LOOKING STATEMENTS

This Offering Circular includes “**forward-looking statements**”. All statements other than statements of historical fact contained in this Offering Circular, including, without limitation, those regarding our future financial position and results of operations, strategy, plans, objectives, goals and targets, future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words “**believe**”, “**expect**”, “**aim**”, “**intend**”, “**will**”, “**may**”, “**anticipate**”, “**seek**”, “**should**”, “**estimate**”, “**target**” or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause its actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause our actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- general political and economic conditions, including those related to the PRC;
- our ability to successfully implement our business plans and strategies;
- future developments, trends and conditions in the industry and markets in which we operate or into which we intend to expand;
- our business operations and prospects;
- our capital expenditure plans;
- the actions and developments of our competitors;
- our financial condition and performance;
- capital market developments;
- our dividend policy;
- any changes in the laws, rules and regulations of the central and local governments in the PRC and other relevant jurisdictions and the rules, regulations and policies of the relevant governmental authorities relating to all aspects of our business and our business plans;
- various business opportunities that we may pursue; and
- those other risks identified in the “*Risk Factors*” section of this Offering Circular.

Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time and it is not possible for us to predict which will arise. In addition, we cannot access the impact of each factor on its business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.



## CONTENTS

SUMMARY .....	1
THE OFFERING .....	7
SUMMARY CONSOLIDATED FINANCIAL INFORMATION .....	13
CERTAIN DEFINITIONS .....	16
RISK FACTORS .....	21
USE OF PROCEEDS .....	49
CAPITALISATION AND INDEBTEDNESS .....	50
DESCRIPTION OF THE ISSUER .....	51
DESCRIPTION OF OUR BUSINESS .....	52
MANAGEMENT .....	79
SHAREHOLDING AND DIRECTORS' INTERESTS AND SHARE OPTIONS .....	84
DIVIDENDS .....	89
TERMS AND CONDITIONS OF THE BONDS .....	90
MARKET PRICE INFORMATION .....	123
EXCHANGE RATES .....	124
DESCRIPTION OF THE SHARES .....	125
PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM .....	130
TAXATION .....	133
SUBSCRIPTION AND SALE .....	136
GENERAL INFORMATION .....	141

## SUMMARY

*The summary below is intended only to provide a limited overview of information described in more detail elsewhere in this Offering Circular. As it is a summary, it does not contain all the information that may be important to investors. Terms defined elsewhere in this Offering Circular shall have the same meanings when used in this summary. Prospective investors should therefore read this Offering Circular in its entirety, including “Risk Factors”, to determine whether an investment in the Bonds is appropriate.*

### OVERVIEW

We are a leading provider of cloud-based commerce and marketing solutions and targeted marketing services on Tencent’s social networking service platforms for merchants in China in terms of revenue. Our business segments are divided into Digital Commerce and Digital Media. Our Digital Commerce business comprises of Subscription Solutions and Merchant Solutions. We enable merchants to carry out private domain traffic management through SaaS and other software in our Subscription Solutions. In the meantime, we help merchants obtain public domain traffic through value-added services in our Merchant Solutions, thus supporting them to achieve digital upgrade with full-chain services and operations. Specifically, through our Subscription Solutions, we offer a variety of intelligent business solutions tailored for industry verticals, primarily software as a service (“SaaS”) products offering. Through our Merchant Solutions, we mainly offer value-added services to existing and potential merchants of our Subscription Solutions, primarily targeted marketing services, as part of the integral solutions to help merchants obtain public domain traffic and further expand their business scale and monetization capabilities. In terms of Digital Media, capitalizing on our advantages of media resources and past placement experience, we deliver our advertisement placement services to certain merchants in which specified results or actions are committed by purchasing media platform traffic. We provide our Digital Commerce and Digital Media services primarily through China’s leading social media platform, WeChat, where we are also a large third-party service provider for SMBs in terms of revenue and number of paying merchants as measured by revenue.

In terms of our Subscription Solutions, we launched our first SaaS product in 2013. Merchants use our SaaS products to build personalised storefronts on social media platforms and manage their mission-critical digital commerce operations, including product display, order intake and payment processing, customer relationship management, and social media marketing. Our SaaS products are categorised into three cloud service offerings, namely our Commerce Cloud, Marketing Cloud, and Sales Cloud, each designed with its own sets of functionalities and features to meet merchants’ specific business needs. Commerce Cloud products enable merchants to establish integrated online and offline digital operations and empower them to drive increased engagement, conversion, revenue, and loyalty from their customers. Marketing Cloud products offer merchants digital tools to precisely target audiences and optimise online marketing activities, including advertisement creation and budget allocation. Sales Cloud products help merchants improve their customer acquisition capabilities and achieve higher sales efficiently.

In October 2017, we launched Weimob Cloud platform, a platform as a service, or PaaS. With our Weimob Cloud platform, third-party developers can design, build, and implement enterprise-grade custom applications. Third-party developers are not only able to integrate our storefronts, products, transactions, payment, marketing, membership, and logistics modules into their applications but can also connect to hundreds of plug-ins from our Weimob Services Market, an application store, to enrich their application offerings.

Under our Merchant Solutions and Digital Media services, we began our targeted marketing business in 2016, through which we provide a one-stop mobile social marketing solution that is convenient, affordable, and efficient, enabling advertisers to optimise their marketing efforts and achieve their brand promotion or targeted marketing goals. Our proprietary data management platform (DMP) integrated with analytics and optimisation technology supports precise marketing for advertisers to more accurately identify audiences who are likely to have an interest in their brands or become paying customers. It also enables advertisers to conveniently choose media resources, create social promotion plans, and utilise other powerful tools for marketing and promotion. Further our cooperation with high-quality media

resources enables our advertisers' marketing campaigns to reach a large audience base. Our premium media resources mainly include major social media platforms and other high-traffic channels such as WeChat Moments, WeChat Official Account, QQ, QZone, Baidu, Zhihu and TouTiao.com.

We have a longstanding relationship with Tencent, who is our strategic partner and investor. We are the pioneering third-party service provider on WeChat. Our leading position in the WeChat-based third-party service market and our collaborative relationship with Tencent enable us to capture the future growth potential of mobile social commerce via WeChat, and in particular, WeChat Mini Programs. Furthermore, we have established good cooperation with Tencent Smart Retail (騰訊智慧零售) in 2019 in customer acquisition, product research and development, and operational services, and have been recognised as an official partner of Tencent Smart Retail. We have jointly launched with Tencent the "Tencent – Weimob Plan" (「騰盟計劃」) to empower DTC (Direct to Customer) e-commerce and have established the first regional marketing service centre authorised by Tencent at Shanghai headquarter of Weimob.

Our sales network consists of our own direct sales team stationed in tier-1 and other strategic cities in China as well as a nationwide network of local channel partners. We had an offline network of channel partners covering all provinces, municipalities and autonomous regions in the PRC, allowing us to establish close localised business relationships with our clients. Our strong relationships with our channel partners are demonstrated by their relatively low attrition rates. Our sales channels allow cost-effective conversion of the merchants for our SaaS products into advertisers of our targeted marketing and *vice versa*, which enables us to lower our client acquisition costs compared to acquiring new clients separately. We also provide training as well as technical, marketing, and customer service support to our channel partners to better serve our merchants and advertisers.

We have a large and rapidly growing client base. We have a large registered merchants base for our SaaS products and targeted marketing, providing us with a large potential client base that we can monetise on a recurring basis. Our large and growing client base has provided us with a vast library of big data that we can leverage to better understand client needs and further refine our product and service offerings to improve customer experience.

We have experienced significant growth. Our total revenue increased from RMB865.0 million in 2018 to RMB1,436.8 million in 2019, and further to RMB1,968.8 million in 2020, representing a CAGR of 50.9%. Our gross profit increased from RMB517.6 million in 2018 to RMB797.1 million in 2019, and further to RMB1,002.6 million in 2020, representing a CAGR of 39.2%.

## **OUR STRENGTHS**

We believe the following competitive advantages have contributed to our success and will help drive our growth in the future:

### **China's large third-party service provider for SMBs in the WeChat ecosystem**

We are a large WeChat-based third-party service provider for SMBs in China as measured by revenue and number of paying merchants. We are also a leading targeted marketing provider for SMBs on Tencent's social networking service platforms, including WeChat and QQ, as measured by gross billing. We have been awarded with the Best Service Provider in Regional and Industry Channels of Tencent Social Advertising in 2018, the Official Partner of Tencent Smart Retail in 2019 and the Best Partner for Regional and Medium to Long Tail Channels in 2019 and in 2020 of Tencent Ads.

We have a longstanding relationship with Tencent, who is our strategic partner and investor. Our leading position in third-party services in the WeChat ecosystem and close relationship with Tencent enable us to capture the future growth potential of WeChat and WeChat Mini Program. We collaborate closely with Tencent on big data analysis and targeted marketing, which allows us to offer precision-targeted marketing to enhance our advertisers' audience reach and marketing efficiency as well as capitalise on the rapidly growing mobile marketing market on Tencent social media platforms.

## **China's leading cloud-based commerce and marketing solutions provider for SMBs**

We are a leading cloud-based commerce and marketing solutions provider for SMBs in China as measured by revenue. Most of the SMBs in China operate offline and do not have sophisticated customer relationship management and online marketing capabilities. However, the emergence of new retail, improvements in mobile technologies, and the rapid growth of social media platforms are driving demand for cost-effective, easy-to-use cloud-based commerce and marketing solutions that help SMBs reach more consumers and operate more efficiently. We have successfully capitalised on the rapid growth of SMBs and their associated demand for cloud-based commerce and marketing solutions.

## **Decentralised, intelligent business solutions empowering SMBs to digitise their operations**

Our platform disrupts and decentralises the traditional third-party e-commerce marketplace model. Through our Subscription Solutions, we allow SMBs to directly connect and communicate with their customers and enable them to manage and optimise their businesses through multiple online and offline channels. This way, we return control back to the merchants by giving them ownership of their own customer traffic and data and enabling the merchants to have a closer connection to their customers.

We offer a wide array of intelligent business solutions that can be applied to various usage scenarios. Our Subscription Solutions, as the core of our business model, innovative and comprehensive functionalities including digital storefront buildup, omni-channel marketing, customer relationship management and business reporting, allowing our merchants to enhance operating efficiency and profitability. Our SaaS products are tailored across various industry verticals, including e-commerce, retail, restaurant, travel, hospitality, and beauty, attracting a diversified merchant base. Our Merchant Solutions and Digital Media services, both focusing on targeted marketing services, further unlock the value of traffic acquisition for the merchants, which is an important driver of our monetisation and profitability. We have strategically developed competencies in software development, digital marketing and big data analytics, creating a synergistic one-stop business solution that empowers our clients to conduct business more intelligently in the era of new retail.

## **Large and monetizable client base**

We have a large base of registered merchants for our Digital Commerce and Digital Media, which provides us with a large potential client base from which we can monetise on a recurring basis. We have expanded our client base for both our Digital Commerce and Digital Media. The number of paying merchants for Subscription Solutions of our Digital Commerce increased significantly and was 64,695, 79,546 and 98,002 as at 31 December 2018, 2019 and 2020, respectively. Our ARPU of Subscription Solutions had also increased, amounting to RMB5,365, RMB6,373 and RMB7,326 in 2018, 2019, and 2020, respectively. The number of paying merchants for Merchant Solutions of our Digital Commerce increased from 27,674 in 2018 to 32,458 in 2019, and further to 45,698 in 2020. Our ARPU of Merchant Solutions amounted to RMB7,280, RMB11,043, RMB11,560 in 2018, 2019 and 2020, respectively. As to our Digital Media business, the number of advertisers was 915, 1,684 and 2,504 as at 31 December 2018, 2019 and 2020, respectively. Our large and growing client base has provided us with a vast library of big data that we can leverage to better understand client needs and further refine our product and service offerings to improve customer experience.

## **Extensive nationwide sales network**

Our sales channels consist of our own direct sales team stationed in tier-1 and other strategic cities as well as a nationwide network of local channel partners. We have an offline network of channel partners covering all provinces, municipalities and autonomous regions in the PRC, allowing us to establish close localised business relationships with our clients. Our strong relationships with our channel partners are demonstrated by their low attrition rates. Our sales channels allow cost-effective conversion of our merchants for Subscription Solutions into advertisers for targeted marketing and *vice versa*, which enables us to lower our client acquisition costs compared to acquiring new clients separately. Furthermore, we have channel partners who are both our Digital Commerce and Digital Media channel partners. Such channel partners can cross-market our Digital Commerce and Digital Media to existing advertisers or merchants, or *vice versa*, without incurring material costs. We also provide continuous training as well as technical, marketing, and customer service support to our channel partners to better serve our clients.

## **Continuous technology innovation powered by strong research and development capability**

We are a technology forerunner and continuous innovator. Since 2015, we have broadened our SaaS product offerings from WeChat Official Account marketing services to WeChat Mini Program-based marketing solutions, and further to SaaS products tailored for various industry verticals. We have been continuously updating our SaaS products since the launch of our very first solution. For example, in October 2017, we launched Weimob Cloud platform, a PaaS, designed for third-party developers to create more and better applications for merchants. We launched Sales Pusher (“銷售推”) in June 2018, Smart Hotel (“智慧酒店”) in July 2018, Smart Retail (“智慧零售”) in August 2018, and Smart Traveling (“智慧旅遊”) in October 2018. We launched Smart Marketing (“智營銷”) as well as Zhiketui (“直客推”) in 2019. In 2020, we launched Weimob Live (“微盟直播”), a live-streaming platform based on WeChat Mini Program. Our proven track record of product innovation and expansion stems from our strong research and development capability led by a dedicated team of in-house developers and engineers.

In addition, by leveraging our years of experience serving SMBs through Digital Commerce and Digital Media, we have accumulated substantial amounts of consumer and merchant behavioural data that, when integrated with our data analytics, can enhance our various data applications, including targeted marketing, risk management, and personalised recommendations. We also invest heavily in talent by recruiting, retaining, and training best-in-class engineering specialists and data scientists to further enhance our technology advantage.

## **Innovative and entrepreneurial management team**

Our founders are passionate trailblazers who have led the digital transformation of SMBs in China in recent years, pioneering easy-to-use and cost-effective intelligent business solutions that can be easily implemented via the WeChat ecosystem. Under the leadership of our founders and our management team, our products and services disrupted traditional online marketplaces and effectively shaped the decentralised social media-enabled e-commerce model where SMBs could establish their brand ownership and manage critical operations on leading social media platforms in China. Mr. Sun, our founder and Chief Executive Officer, is a highly decorated technology entrepreneur with various industry awards, including 2017 Forbes Asia 30 under 30, Fast Company China’s 100 Most Creative People in Business, and National Champion of the first season of “I am the Founder”, a competitive reality TV show for technology entrepreneurs held by Tencent and Zhejiang Satellite TV. Our three co-founders and management team possess complementary skill sets across Internet technology, software development, digital marketing management and strategic investments.

## **OUR STRATEGIES**

To achieve our mission and further solidify our market leadership, we intend to pursue the following strategies:

### **Strengthening and extending our Marketing Cloud and Sales Cloud offerings**

We will leverage our market leadership in Commerce Cloud offerings to expand our Marketing Cloud and Sales Cloud offerings. With respect to our Marketing Cloud offerings, we will develop more customised tools to enable merchants to optimise marketing campaigns and realise better marketing performance. With respect to our Sales Cloud offerings, we will accelerate the market expansion of products, such as Xiaoke. With our Sales Cloud offerings, our merchants’ sales teams can maximise their sales and marketing capabilities and achieve higher sales efficiently. By integrating our Marketing Cloud and Sales Cloud with Commerce Cloud offerings, we are able to provide our clients with a more comprehensive view of their customers and cross sell our cloud offerings. We will continue to enhance our research and development on new cloud service offerings to better serve our clients.

### **Expanding into new industry verticals**

We plan to leverage our success and experience in existing verticals to expand into new ones. We plan to continue to tailor our Digital Commerce and Digital Media to provide relevant products to merchants in industry verticals with traditionally low digital penetration. New industry verticals we will focus on include, but are not limited to, retail, catering, hotel and hospitality, travel and lifestyle, education, home furnishing, automobile and the beauty industry. In 2018, we launched Smart Hotel, Smart Retail and Smart Traveling. We believe we are able to increase our revenue and improve our results of operations by successfully entering new industry verticals.

### **Increasing monetisation of our client base**

We aim to increase monetisation of our Digital Commerce and Digital Media mainly through cross-marketing and cross-selling among different products and services. We plan to increase conversion of merchants who use our free SaaS products into paying merchants and upsell to existing merchants. We also plan to use the data accumulated on our cloud-based commerce and marketing platform to provide creative fintech services to our clients. Specifically, through big data computing technology, we plan to build merchant profiles and make reasonable predictions about the merchants' next stage of business by analysing merchants' online store traffic data, visitor data, product data, marketing activity data, transaction data, etc. When merchants need financing to grow business, we plan to use such data and big data computing technology to build a risk control model and conduct an effective evaluation for merchants to choose suitable financing channels and products.

Furthermore, we will increase the monetisation of our Weimob Cloud platform and Weimob Services Market. Third-party developers are key to our Weimob Cloud platform. We plan to attract third-party developers by (i) enhancing the technology capabilities of our Weimob Cloud platform and broadening its technology influence, (ii) optimising our Weimob Services Market and attracting merchants to use the applications developed by third-party developers, and (iii) enhancing our marketing effort to attract third-party developers as well as providing them with professional technical support. As at 31 December 2020, we had not generated any revenue in relation to our Weimob Cloud platform and Weimob Services Market. We currently do not share in the revenue of third-party developers generated from applications developed by them and distributed through our Weimob Services Market, or collect fees from users who purchase these applications. In anticipation of a more established Weimob Cloud platform and Weimob Services Market in the future, we may monetise such ecosystem by sharing a portion of the revenue of third-party developers generated from applications developed by them distributed through our platform.

### **Deepening collaboration with Tencent and other decentralised mobile platforms**

We will promote data sharing and big data analysis with Tencent to deepen our integration with Tencent's social networking ecosystem and work with Tencent to optimise our advertisers' targeted marketing strategies by better identifying and engaging their desired customers and improving conversion rates. We and Tencent would cooperate through sharing data label interface and joint big data analysis. Specifically, Tencent would open to us, as cooperative service provider, a series of data labeling interfaces covering customer identification, customer attraction, and customer conversion. Based on these labels, we can build a more comprehensive view of the data to further optimise the performance and effectiveness of targeted marketing and customer conversion for merchants. Furthermore, in the area of big data analytics, we will work with Tencent to jointly analyse and build a data model by jointly building data marts and sharing algorithm capabilities. Based on the complementarity of the data from both parties, we can carry out more in-depth data analysis and mining, and output more accurate and comprehensive user profiling and merchant profiling to further enhance the effectiveness of targeted marketing.

We will also strengthen existing cooperation and develop new relationships with other leading decentralised mobile platforms in China. Through these platforms, we can broaden the audience reach for our advertisers, allowing them to source and identify the most cost-effective advertisement placements, and satisfying their multi-channel marketing needs, while allowing them to retain control of their customer data. For example, we have placed targeted marketing with the mobile platforms of Baidu and Zhihu.

### **Enhancing our ecosystem through our Weimob Cloud platform**

We will encourage application development by third-party developers on our Weimob Cloud platform to broaden our offerings to our clients and enrich our Weimob ecosystem. We will continue to release new marketing and sales tools and services from third-party developers that complement our core service offerings. We will continue to enhance the attractiveness of our Weimob Cloud platform by providing third-party developers with a rich set of APIs and plug-ins and more cooperation methods to connect developers with merchants. We will also continue to develop additional cloud service offerings to accommodate the ever-evolving needs of our clients and third-party developers.

### **Growing and enhancing our sales channels**

We will continue to expand our direct sales force as well as our local channel partners across China with the goal of expanding our overall client base. We will also encourage the cross-selling between Digital Commerce and Digital Media by enhancing the sales and marketing expertise of our direct sales force and channel partners. We will consider entering into underpenetrated industry verticals and increase our market share in the cities we have already covered. We will engage more localised channel partners with in-depth expertise and strong merchant relationships in different industry verticals. We will also provide more comprehensive and systematic training to our channel partners so that they can competently explain to potential clients how our products and services can help them establish an online presence, manage customer relationships across channels, and, in turn, improve overall business operations.

### **Exploring strategic partnerships and acquisition opportunities**

We promote a culture of innovation and cooperation with a focus on maximising long-term value. We will continue to selectively pursue strategic cooperation, investments and acquisitions that we believe can expand our products offerings, allow us to enter new industry verticals, strengthen our technological and research and development capabilities. We will also consider investing in other mobile or digital sectors that are complementary to our current businesses. In selecting investment targets or partners, we generally consider the following factors: suitability with our strategic planning, degree of potential synergies, market position, management team experience, valuation, historical operating metrics, and financial performance.

## THE OFFERING

The following contains summary information about the Bonds. Some of the terms described below are subject to important limitations and exceptions. Words and expressions defined in “Terms and Conditions of the Bonds” and “Provisions relating to the Bonds in Global Form” shall have the same meanings in this summary. For a more complete description of the terms of the Bonds, see “Terms and Conditions of the Bonds” in this Offering Circular.

<b>Issuer</b> .....	Weimob Investment Limited
<b>Guarantor</b> .....	Weimob Inc.
<b>Issue</b> .....	U.S. dollar-denominated zero coupon guaranteed convertible bonds due 2026 in an aggregate principal amount of U.S.\$ 300,000,000, convertible into the Guarantor’s fully-paid ordinary shares of par value U.S.\$0.0001 each.
<b>Interest</b> .....	The Bonds will be zero coupon and will not bear interest. See “Terms and Conditions of the Bonds – Default Interest”.
<b>Issue Price</b> .....	100.00 per cent. of the principal amount of the Bonds.
<b>Issue Date</b> .....	7 June 2021
<b>Maturity Date</b> .....	7 June 2026
<b>Form and Denomination</b> .....	The Bonds will be issued in registered form in the denomination of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.
<b>Guarantee</b> .....	The due payment of all sums expressed to be payable by the Issuer and the due performance by the Issuer of its obligations under the Trust Deed and the Bonds will be unconditionally and irrevocably guaranteed by the Guarantor.
<b>Status</b> .....	The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) of the Conditions) unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds and of the Guarantor under the Guarantee shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 4(a) of the Conditions, at all times rank at least equally with all of their respective other present and future unsecured and unsubordinated obligations.



<b>Negative Pledge</b> . . . . .	So long as any Bond remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor will, and the Issuer and the Guarantor shall procure that none of their respective Principal Subsidiaries (other than any Listed Subsidiary or a Subsidiary of such Listed Subsidiary) will, create, permit to subsist or arise or have outstanding, any Encumbrance upon the whole or any part of their respective present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee of or indemnity in respect of any Relevant Indebtedness unless, at the same time or prior thereto, the Bonds are secured equally and rateably (i) therewith or by the same Encumbrance or (ii) by such other security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed).
<b>Conversion Period</b> . . . . .	At any time (subject to any applicable fiscal or other laws or regulations and as provided in the Conditions) (a) on or after 18 July 2021 up to the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the 10th day prior to the Maturity Date (both days inclusive), (b) if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than 15 days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof or (c) if notice requiring redemption has been given by such Bondholder pursuant to Condition 8(d) or Condition 8(e) of the Conditions, then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice. See “ <i>Terms and Conditions of the Bonds – Conversion – Conversion Right</i> ”.
<b>Conversion Price</b> . . . . .	HK\$21.00 per Share, subject to adjustment for, among other things, consolidation, subdivision, redesignation or reclassification of Shares, capitalisation of profits or reserves, capital distributions, rights issues of Shares or options over Shares at less than 95% of Current Market Price, rights issues of other securities, issues at less than 95% of Current Market Price, other issues at less than 95% of Current Market Price, modification of rights of conversion at less than 95% of Current Market Price, other offers to Shareholders and other events as described in Condition 6(c) of the Conditions.
<b>Redemption for Taxation Reasons</b> . . . . .	The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice (a “ <b>Tax Redemption Notice</b> ”) to the Bondholders (which notice shall be irrevocable) at the Early Redemption Amount, if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (i) the Issuer (or if the Guarantee was called, the Guarantor) has or will become obliged to pay Additional Tax Amounts as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands, the Cayman Islands, Hong Kong or the PRC or in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 24 May 2021, and (ii) such obligation cannot be avoided by the Issuer (or as the case may be, the Guarantor) taking reasonable measures available to it, <b>provided that</b> no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer (or as the case may be, the Guarantor) would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due.

If the Issuer gives a Tax Redemption Notice pursuant to Condition 8(b)(i) of the Conditions, each Bondholder will have the right to elect that its Bond(s) shall not be redeemed and that the provisions of Condition 9 of the Conditions shall not apply in respect of any payment of principal, Early Redemption Amount, premium (if any) or default interest (if any) to be made in respect of such Bond(s) which falls due after the relevant Tax Redemption Date, whereupon no additional amounts shall be payable by the Issuer in respect thereof pursuant to Condition 9 of the Conditions and payment of all amounts by the Issuer to such Bondholder in respect of such Bond shall be made subject to the deduction or withholding of any tax required to be deducted or withheld.

**Redemption at the Option of the Issuer . . . . .**

On giving not less than 30 nor more than 60 days' notice to the Principal Agent and the Trustee in writing and to the Bondholders in accordance with Condition 16 of the Conditions (which notice will be irrevocable), the Issuer:

- (i) may at any time after 21 June 2024 and prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at the Early Redemption Amount, provided that the Closing Price of the Shares (as derived from the Daily Quotations Sheet of the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange and translated into U.S. dollars at the Prevailing Rate) for each of 20 out of 30 consecutive Trading Days, the last of which occurs not more than five Trading Days prior to the date upon which notice of such redemption is published, was at least 130 per cent. of the applicable Early Redemption Amount for each Bond divided by the Conversion Ratio then applicable; or
- (ii) may at any time prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at the Early Redemption Amount, **provided that** prior to the date of such notice at least 90 per cent. in principal amount of the Bonds originally issued has already been converted, redeemed or purchased and cancelled.

**Redemption at the Option of the Bondholders . . . . .**

The Issuer will, at the option of the holder of any Bond, redeem all or some only of such holder's Bonds on 7 June 2024 (the "**Put Option Date**") at 103.04 per cent. of their principal amount. To exercise such option, the holder must deposit at the specified office of any Paying Agent a duly completed and signed put notice in the form for the time being current, obtainable from the specified office of any Paying Agent, together with the Certificate evidencing the Bonds to be redeemed not more than 60 days and not less than 30 days prior to the Put Option Date.

**Redemption for Delisting or change of Control. . . . .**

If at any time (i) the Shares cease to be listed or admitted to trading or suspended for trading for a period equal to or exceeding 45 consecutive Trading Days on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange; or (ii) a Change of Control occurs, the holder of each Bond will have the right at such holder’s option, to require the Issuer to redeem all or some only of such holder’s Bonds on the Relevant Event Redemption Date at the Early Redemption Amount.

**Final Redemption at Maturity . . .**

Unless previously redeemed, converted or purchased and cancelled as provided in the Conditions, the Issuer will redeem each Bond at 105.11 per cent. of its principal amount on the Maturity Date.

**Company and Shareholders Lock-up . . . . .**

Each of the Issuer and the Guarantor has agreed in the Subscription Agreement that neither the Issuer, the Guarantor nor any person acting on its or their behalf will (a) issue, offer, sell, contract to sell, pledge, encumber or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Managers between the date of the subscription Agreement and the date which is 90 days after the Issue Date (both dates inclusive); except for (i) the Bonds and the New Shares issued on conversion of the Bonds; (ii) the issuance of the Shares that are required to be issued and delivered on conversion in the manner contemplated by the terms and conditions of the U.S.\$150,000,000 in aggregate principal amount of 1.50 per cent. guaranteed convertible bonds due 2025 issued on 15 May 2020 by the Issuer, which is guaranteed by the Guarantor; (iii) the issuance of the 156,000,000 new Shares pursuant to the placing agreement entered into among the Guarantor and China International Capital Corporation Hong Kong Securities Limited, Credit Suisse (Hong Kong) Limited and Morgan Stanley & Co. International plc on 24 May 2021; and (iv) the issuance of any Shares under the Guarantor’s publicly disclosed restricted stock unit plan, which was approved and adopted by the board of directors of the Guarantor on 25 May 2020.

Mr. Sun Taoyong, Mr. Fang Tongshu and Mr. You Fengchun have executed a lock-up undertaking whereby they undertake not to sell Shares or enter into other transactions with a similar effect, except for the 115,000,000 Shares which are subject to the stock borrowing and lending agreements entered into between Credit Suisse (Hong Kong) Limited and each of Yomi.sun Holding Limited, Alter.You Holding Limited and Jeff.Fang Holding Limited, each dated 6 May 2020, for a period from the date of the Subscription Agreement to 90 days after the Issue Date. The lock-up undertaking for Mr. Sun Taoyong, Mr. Fang Tongshu and Mr. You Fengchun shall be in respect of 406,380,000 Shares, representing approximately 17.86 per cent. of the Shares.

<b>Events of Default</b> . . . . .	For a description of certain events of default that will permit the Bonds to become immediately due and repayable at the Early Redemption Amount, see “ <i>Terms and Conditions of the Bonds – Events of Default</i> ”.
<b>Clearing Systems</b> . . . . .	The Bonds will be represented by beneficial interests in the Global Certificate, which will be registered in the name of a nominee of, and deposited on the Issue Date with a common depository for, Euroclear and Clearstream. Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream. Except as described the Global Certificate, definitive certificates for Bonds will not be issued in exchange for interests in the Global Certificate.
<b>Governing Law</b> . . . . .	The Bonds, the Trust Deed and the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of England.
<b>Trustee</b> . . . . .	The Bank of New York Mellon, London Branch
<b>Principal Paying and Conversion Agent</b> . . . . .	The Bank of New York Mellon, London Branch
<b>Registrar and Transfer Agent</b> . . . . .	The Bank of New York Mellon SA/NV, Luxembourg Branch
<b>Listing</b> . . . . .	Application has been made to the Hong Kong Stock Exchange for (i) the listing of, and permission to deal in, the Bonds by way of debt issues to Professional Investors only; and (ii) the listing of, and permission to deal in, the Shares issuable on conversion, and such permissions are expected to become effective on 8 June 2021 and when such Shares are issued, respectively.
<b>Use of Proceeds</b> . . . . .	See section entitled “ <i>Use of Proceeds</i> ”.

<b>Selling Restrictions</b> . . . . .	There are certain restrictions on the offer, sale and transfer of the Bonds and the Shares to be issued upon conversion of the Bonds in certain jurisdictions including the United States and Hong Kong. For a description of the restrictions on the distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds and the Shares to be issued upon conversion of the Bonds, see “ <i>Subscription and Sale</i> ”.
<b>Legal Entity Identifier</b> . . . . .	549300KIIZYZIYQTNI95
<b>ISIN</b> . . . . .	XS2324754980
<b>Common Code</b> . . . . .	232475498
<b>Concurrent Equity Placement</b> . . .	On or about the date of the Subscription Agreement, the Guarantor entered into a placing agreement with the Managers to procure purchasers for an equity placement of 156,000,000 Shares issued by the Guarantor at a placement price of HK\$15.00 per Share (the “ <b>Concurrent Equity Placement</b> ”). The Concurrent Equity Placement was conducted concurrently with the offering of the Bonds but the completion of the issuance of the Bonds and the Shares under the Concurrent Equity Placement are not inter-conditional. The closing date for the Concurrent Equity Placement was 1 June 2021.

## SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The consolidated financial information of the Guarantor as at and for the years ended 31 December 2018, 2019 and 2020 included in this Offering Circular have been extracted from the audited consolidated financial statements as at and for the years ended 31 December 2019 and 2020, respectively of the Guarantor, which have been audited by PricewaterhouseCoopers, the independent auditor of the Guarantor, and are incorporated by reference in this Offering Circular. The audited consolidated financial statements of the Guarantor as at and for the years ended 31 December 2019 and 2020 have been prepared and presented in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

The Guarantor has adopted HKFRS 16 “Leases” (“HKFRS 16”) retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing accounting standards are therefore recognised in the opening balance sheet on 1 January 2019. For details of the adoption of HKFRS 16, please refer to note 2.2 of the audited consolidated financial statements as at and for the year ended 31 December 2019. As such, the consolidated financial information as at and for the year ended 31 December 2018 may not be directly comparable against the Guarantor’s consolidated financial information as at and for the years ended 31 December 2019 and 2020.

The summary financial information set out below and in this Offering Circular should be read in conjunction with, and is qualified in its entirety by reference to, the Guarantor’s audited financial statements as at and for the years ended 31 December 2019 and 2020 (including the notes thereto), both of which are incorporated by reference in this Offering Circular.

In late 2020, we restructured our operating segments from SaaS products and targeted marketing services to “Subscription Solutions” and “Merchant Solutions” as the core, and “Digital Media” as the supplement, and accordingly restated relevant financial information under segment reporting disclosure. For details, see the breakdown of our revenue by business segment in the section headed “Description of our Business – Our Product and Service Offerings”. For relevant risk factors, see “Risk Factors – Risks Relating to Our Business and Industry – We have realigned our business segments in late 2020. For comparison purpose, we restated our operating and financial information by segment for the year ended 31 December 2019 in our annual report for the year ended 31 December 2020 to conform with the new presentation. Such restructuring of segments may render the historical operating and financial information as at and for the year ended 31 December 2018 not directly comparable with their respective operating and financial information after 1 January 2019”.

### CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

	Year ended 31 December		
	2018	2019	2020
	RMB'000	RMB'000	RMB'000
<b>Revenue</b> . . . . .	865,031	1,436,787	1,968,814
Cost of sales . . . . .	(347,382)	(639,657)	(966,195)
<b>Gross profit</b> . . . . .	517,649	797,130	1,002,619
Selling and distribution expenses . . . . .	(449,799)	(716,907)	(919,372)
General and administrative expenses . . . . .	(151,380)	(129,936)	(260,723)
Net impairment losses on financial assets . . . . .	–	(6,630)	(8,597)
Other income . . . . .	16,490	67,434	118,200
Other gains, net . . . . .	25,148	26,676	76,870
<b>Operating (loss)/gain</b> . . . . .	(41,892)	37,767	(8,997)
Finance costs . . . . .	(5,377)	(13,151)	(55,722)
Finance income . . . . .	254	1,569	12,376
Share of net profit/(loss) of associates accounted for using the equity method . . . . .	–	3,941	(23,408)
Change in fair value of convertible bonds . . . . .	–	–	(1,086,310)
Change in fair value of redeemable and convertible preferred shares . . . . .	(1,043,582)	298,280	–
<b>(Loss)/profit before income tax</b> . . . . .	(1,090,597)	328,406	(1,144,067)
Income tax expense . . . . .	(610)	(17,098)	(22,312)
<b>(Loss)/profit for the year</b> . . . . .	(1,091,207)	311,308	(1,166,379)
<b>(Loss)/profit attributable to:</b>			
– Equity holders of the Company . . . . .	(1,089,206)	311,978	(1,156,622)
– Non-controlling interests . . . . .	(2,001)	(670)	(9,757)
	(1,091,207)	311,308	(1,166,379)

	Year ended 31 December		
	2018	2019	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>Other comprehensive (loss)/income, net of tax</b>			
<i>Items that will not be subsequently reclassified to profit or loss</i>			
– Change in fair value of financial liabilities from own credit risk . . . . .	(3,483)	–	–
<b>Total comprehensive (loss)/income for the year . . . . .</b>	<b>(1,094,690)</b>	<b>311,308</b>	<b>(1,166,379)</b>
<b>Total comprehensive (loss)/income attributable to:</b>			
– Equity holders of the Company . . . . .	(1,092,689)	311,978	(1,156,622)
– Non-controlling interests . . . . .	(2,001)	(670)	(9,757)
	<b>(1,094,690)</b>	<b>311,308</b>	<b>(1,166,379)</b>
<b>(Loss)/earnings per share</b>			
<b>(expressed in RMB per share)</b>			
– <b>Basic (loss)/earnings per share . . . . .</b>	<b>(1.59)</b>	<b>0.15</b>	<b>(0.52)</b>
– <b>Diluted (loss)/earnings per share . . . . .</b>	<b>(1.59)</b>	<b>0.01</b>	<b>(0.52)</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December		
	2018	2019	2020
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment . . . . .	16,914	21,024	63,645
Right-of-use assets . . . . .	–	61,176	114,229
Investment properties . . . . .	–	–	32,401
Intangible assets . . . . .	57,054	138,787	1,015,779
Development cost . . . . .	27,963	16,944	38,701
Deferred income tax assets . . . . .	59,305	45,184	44,370
Contract acquisition cost . . . . .	63,476	39,549	40,841
Investments accounted for using the equity method . . . . .	–	66,441	47,033
Financial assets at fair value through profit or loss . . . . .	–	40,885	215,094
Prepayments, deposits and other assets . . . . .	–	1,767	4,087
Other non-current assets . . . . .	9,700	17,000	17,000
<b>Total non-current assets . . . . .</b>	<b>234,412</b>	<b>448,757</b>	<b>1,633,180</b>
<b>Current assets</b>			
Trade and notes receivables . . . . .	79,287	156,386	239,478
Contract acquisition cost . . . . .	130,495	147,578	156,746
Prepayments, deposits and other assets . . . . .	508,968	1,226,502	1,758,204
Financial assets at fair value through profit or loss . . . . .	–	61,364	182,328
Financial assets at fair value through other comprehensive income . . . . .	–	–	44,834
Derivative financial instruments . . . . .	–	–	15,468
Term deposits . . . . .	–	393,000	–
Cash and cash equivalents . . . . .	127,585	870,328	1,823,976
<b>Total current assets . . . . .</b>	<b>846,335</b>	<b>2,855,158</b>	<b>4,221,034</b>
<b>Total assets . . . . .</b>	<b>1,080,747</b>	<b>3,303,915</b>	<b>5,854,214</b>

	<b>As at 31 December</b>		
	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
<b>EQUITY</b>			
<b>Capital and reserves attributable to equity holders of the Company</b>			
Share capital . . . . .	–	1,531	1,529
Treasury shares. . . . .	–	(63,143)	–
Shares held for RSU scheme . . . . .	–	(38,582)	(15,819)
Share premium . . . . .	1,049	4,171,056	4,278,775
Other reserves . . . . .	(1,170,341)	(1,127,164)	(1,106,251)
Accumulated losses. . . . .	(1,262,090)	(953,595)	(2,110,217)
	(2,431,382)	1,990,103	1,048,017
Non-controlling interests . . . . .	(1,154)	(295)	204,473
<b>Total (deficit)/equity . . . . .</b>	<b>(2,432,536)</b>	<b>1,989,808</b>	<b>1,252,490</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bank borrowings . . . . .	–	–	40,000
Financial liabilities measured at fair value through profit or loss. . . . .	2,769,905	18,076	1,947,553
Lease liabilities . . . . .	–	35,230	71,260
Contract liabilities . . . . .	130,071	85,179	105,098
Deferred income tax liabilities. . . . .	–	–	67,188
Other non-current liabilities. . . . .	–	1,800	600
<b>Total non-current liabilities. . . . .</b>	<b>2,899,976</b>	<b>140,285</b>	<b>2,231,699</b>
<b>Current liabilities</b>			
Bank borrowings . . . . .	80,000	300,000	425,050
Lease liabilities . . . . .	–	15,013	31,093
Trade and other payables . . . . .	270,303	562,674	1,490,440
Contract liabilities . . . . .	262,792	293,488	376,256
Current income tax liabilities . . . . .	212	2,647	821
Financial liabilities measured at fair value through profit or loss. . . . .	–	–	46,365
<b>Total current liabilities . . . . .</b>	<b>613,307</b>	<b>1,173,822</b>	<b>2,370,025</b>
<b>Total liabilities . . . . .</b>	<b>3,513,283</b>	<b>1,314,107</b>	<b>4,601,724</b>
<b>Total equity and liabilities. . . . .</b>	<b>1,080,747</b>	<b>3,303,915</b>	<b>5,854,214</b>



## CERTAIN DEFINITIONS

*In this Offering Circular, unless the context otherwise requires, the following terms shall have the meanings set out below.*

“Articles” or “Articles of Association” . . . . .	the amended and restated article of association of our Company, conditionally adopted on 6 December 2018, with effect from the Listing Date, as amended or supplemented from time to time
“Board” or “Board of Directors” . . . . .	the board of Directors of our Company
“Company” or “our Company” . . . . .	Weimob Inc., an exempted company incorporated in the Cayman Islands with limited liability on 30 January 2018
“Corporate Governance Code” . . . . .	the Corporate Governance Code contained in Appendix 14 to the Listing Rules
“CSRC” . . . . .	the China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)” . . . . .	director(s) of our Company
“EIT Law” . . . . .	Enterprise Income Tax Law of the People’s Republic of China (中華人民共和國企業所得稅法), as amended, supplemented or otherwise modified from time to time
“Group” or “our Group” or “we” or “us” . . . . .	our Company and its subsidiaries (or our Company and any one or more of its subsidiaries, as the context may require)
“Guangzhou Xiangminiao” . . . . .	Guangzhou Xiangminiao Network Technology Co., Ltd.* (廣州向蜜鳥網絡科技有限公司), a company established under the laws of the PRC on 2 August 2017
“HK\$” or “HK dollars” . . . . .	Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong
“HKFRS” . . . . .	Hong Kong Financial Reporting Standard(s) (including HKASs and Interpretation) issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong” or “HK” . . . . .	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules” or “Listing Rules” . . . . .	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Hong Kong Stock Exchange” or “Stock Exchange” . . . . .	the Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“Listing” . . . . .	listing of the Shares on the Main Board of the Stock Exchange

“Listing Date”	15 January 2019, on which our Shares were listed on the Main Board of the Stock Exchange
“M&A Rules”	the Provisions Regarding Mergers and Acquisitions of Domestic Enterprise by Foreign Investors (關於外國投資者併購境內企業的規定), jointly issued by MOFCOM SASAC, SAT, CSRC, SAIC and SAFE
“Macau”	the Macau Special Administrative Region of the PRC
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
“MIIT”	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“Mr. Fang”	Mr. Fang Tongshu (方桐舒), the co-founder of our Group, an executive Director and president of the intelligent business career group of our Company, and a member of the Substantial Shareholders Group
“Mr. Sun”	Mr. Sun Taoyong (孫濤勇), the founder of our Group, an executive Director and Chairman of the Board and Chief Executive Officer of our Company, and a member of the Substantial Shareholders Group
“Mr. You”	Mr. You Fengchun (游鳳椿), the co-founder of our Group, an executive Director and president of intelligent marketing career group of our Company, and a member of the Substantial Shareholders Group
“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC” or “China”	the People’s Republic of China. For the purposes of this document only and except where the context requires otherwise, excludes Hong Kong, Macau and Taiwan
“province”	a province or, where the context requires, a provincial level autonomous region or municipality, under the direct supervision of the central government of the PRC
“QQ”	an instant messaging software service developed by Tencent

“QZone”	a social networking website based in China developed by Tencent
“Regulation S”	Regulation S under the U.S. Securities Act
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAIC”	the State Administration of Industry and Commerce of the PRC (中華人民共和國工商管理總局) or the State Administration for Market Regulation (國家市場監督管理局) after the 2018 State Council Reform
“SASAC”	the State Owned Assets Supervision and Administration Commission of the State Council (國務院國有資產管理委員會)
“SAT”	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“Securities and Futures Ordinance” or “SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary shares in the share capital of our Company with a par value of US\$0.0001
“Shareholder(s)”	holder(s) of our Shares
“SMBs”	small and medium businesses, a category of merchants whose annual revenue is less than RMB20 million
“State Council”	State Council of the People’s Republic of China (中華人民共和國國務院)
“Subscription Agreement”	the subscription agreement entered into by the Issuer and the Guarantor with the Managers dated 24 May 2021
“subsidiary(ies)”	has the meaning ascribed thereto in section 15 of the Companies Ordinance
“Substantial Shareholders Group”	Mr. Sun, Mr. Fang, and Mr. You, a group of individuals acting in concert with each other and the single largest shareholder group of our Company
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers (as amended from time to time)

“Tencent” . . . . .	Tencent Holdings Limited, an exempted company incorporated with limited liability and existing under the laws of the Cayman Islands and the shares of which are listed on the Main Board (stock code: 700) and/or its subsidiaries
“Tencent Cloud” . . . . .	a public platform for corporate and individual users developed by Tencent
“Tencent News” . . . . .	a mobile news application software developed by Tencent
“Tencent Video” . . . . .	an online video interactive platform developed by Tencent
“U.S.” or “United States” . . . . .	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“U.S. Securities Act” . . . . .	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
“US\$” or “U.S. dollars” . . . . .	United States dollars, the lawful currency of the United States
“VAT” . . . . .	value-added tax
“WeChat” . . . . .	a multiple-purpose messaging, social media and mobile payment application software developed by Tencent
“WeChat Mini Program” . . . . .	a light feature within the WeChat interface which connects service providers and WeChat users
“WeChat Moments” . . . . .	a functionality of WeChat mainly focusing on sharing pictures with captions
“WeChat Official Account” . . . . .	a type of WeChat account providing WeChat users with information and services through messaging and Web pages
“Weimob Canlin” . . . . .	Shanghai Weimob Canlin Information Technology Co., Ltd.* (上海微盟餐林信息科技有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Weimob Development” . . . . .	Shanghai Weimob Enterprise Development Co., Ltd.* (上海微盟企業發展有限公司), a company established under the laws of the PRC on 10 September 2014, being a wholly-owned subsidiary of our Company
“Weimob Enterprise” . . . . .	Shanghai Weimob Enterprise Co., Ltd.* (上海微盟企業有限公司), a company established under the laws of the PRC on 16 April 2013, being our predecessor (formerly known as Shanghai Weimob Technology Co., Ltd.* (上海微盟科技股份有限公司) and Shanghai Huishuo Information Technology Co., Ltd.* (上海暉碩信息科技有限公司))

“Wuxi Yazuo” . . . . . Wuxi Yazuo Zaixian Technology Co., Ltd.\* (無錫雅座在線科技股份有限公司), a company established in PRC with limited liability

*In this Offering Circular, the terms “associate,” “close associate,” “connected person,” “core connected person,” “connected transaction,” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.*

*Certain amounts and percentage figures included in this Offering Circular have been subject to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them. Any discrepancies in any table or chart between the total shown and the sum of the amounts listed are due to rounding.*

*For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this Offering Circular in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. The English translation of company names in Chinese which are marked with “\*” are for identification purposes only.*

## RISK FACTORS

*This Offering Circular contains forward-looking statements relating to events that involve risks and uncertainties. Prospective investors should carefully consider the risk factors set forth below, as well as the other information contained elsewhere in this Offering Circular. The risks described below are not the only ones that may affect the Company or the Bonds. Additional risks and uncertainties that we are not aware of or that we currently believe are immaterial may also adversely affect our financial condition or results of operations. If any of the possible events described below occur, our financial condition or results of operations could be materially and adversely affected. In such case, we may not be able to satisfy our obligations under the Bonds, and investors could lose all or part of their investment.*

### **RISKS RELATING TO OUR BUSINESS AND INDUSTRY**

#### **We rely on Tencent's platforms and services to conduct our businesses.**

We primarily deliver our Subscription Solutions on WeChat, one of Tencent's social media platforms. Tencent is also the principal publisher of our targeted marketing services as well as a primary cloud service provider of our cloud-based technology infrastructure. In the worst case scenario, if we lose access to Tencent's platforms and services, our results of operations and financial conditions would be materially and adversely affected. We generate substantially all of our revenue through sales of our Digital Commerce and Digital Media services on Tencent's social media platforms, including WeChat, QQ, QZone, and Tencent News, among others. From an accounting perspective, Tencent was our largest client in the Merchant Solutions and Digital Media segments as we recognised a substantial portion of our revenue from our Merchant Solutions and as such, our revenue from targeted marketing services consisted substantially of rebates granted by Tencent. To the extent we are not able to maintain our business relationship with Tencent in relation to our Digital Commerce and Digital Media at reasonable prices or at all, we will have to source new platforms or approaches to deliver our Subscription Solutions as well as new media publishers for our Merchant Solutions and Digital Media business, which could materially and adversely affect our business and results of operations.

In the event Tencent loses its existing leading market position, or WeChat or QQ or other Tencent social networking sites become less attractive as social media platforms to merchants, advertisers or consumers, this may lead to a significant decrease in the user base of each platform and, in turn, affect the reach and popularity of our products and services. Further, while there is currently no overlap between our scope of business and Tencent's, there is no guarantee that Tencent may, in the future, venture into similar business areas as ours, leading to increased competition as a result.

Further, our ability to deliver our products and services depends on Tencent's development and maintenance of its platform infrastructure. Other than offering our products and services on Tencent's social media platforms, we also make purchases from Tencent, including cloud data and hosting services, which we use as the backbone of our cloud-based technology infrastructure. Should Tencent's cloud data or hosting service fail to function properly, or at all, and we fail to find alternatives to such services in a timely manner, or at all, this may impact our ability to deliver our products and services and have a material adverse effect on our business, results of operations, and financial condition.

In addition, Tencent and its subsidiaries, involving WeChat, are the targets of U.S. Executive Orders 13943 and 13971 issued by former U.S. President Donald Trump on 6 August 2020 and 5 January 2021 respectively. The scope of these Executive Orders relating to Tencent and its subsidiaries however apply to dealings outside of the PRC. Investors are reminded that the majority of the Group's total revenue is currently derived from PRC. The Group does not believe that the present Executive Orders would have a material impact to its current business and results of operations. However, there can be no assurance that the current and/or future (if any) Executive Orders affirmed or carried out by the U.S. administration may have an impact on the Group's future business and results of operations, to the extent that the Group's material business and operations have expanded outside of the PRC and where the Group continues to rely on platforms and services being provided by service providers like Tencent who may be subject to similar Executive Orders.

**Due to our limited operating history in new and developing markets, our ability to accurately forecast our future operating results and prospects is limited and subject to a number of uncertainties.**

We launched our first SaaS product in 2013 and commenced targeted marketing in 2016. While our revenue has grown rapidly in recent years, as a result of our limited operating history, our ability to accurately forecast our future operating results is limited and subject to a number of uncertainties, including our ability to plan for and model our future growth. We face various challenges and uncertainties, including the fact that we operate in new and developing markets and elements of our business strategy are new and subject to ongoing development. As a result, it may not be possible to fully discern the trends that we and our business are subject to.

**If we fail to improve and enhance the functionality, performance, reliability, design, security, and scalability of our products and services to suit our clients' evolving needs, our clients may not repurchase our solutions and services.**

To date, our success has been based on our ability to identify and anticipate the needs of our clients and design solutions and services that provide our clients with the tools they require to develop their businesses.

We may experience difficulties with developments in technology that could delay or prevent the development, introduction or implementation of new solutions, services and enhancements. While we invest a significant amount of time in software development through our research and development team, continuous improvement and enhancement of our solutions, and services requires significant investment and we may not have sufficient resources to do so. In addition, our in-house developers may sometimes take months to update, code and test new and upgraded solutions. To the extent we are not able to improve and enhance the functionality, performance, reliability, design, security, and scalability of our solutions and services in a manner that responds to our clients' evolving needs, our existing clients may not repurchase our solutions and services, and our business, financial condition, results of operations, and prospects will be adversely affected.

**If we are unable to develop and maintain successful relationships with our local channel partners, our business, operating results, and financial condition could be adversely affected.**

To date, we have depended on our channel partners to market and sell our Digital Commerce and Digital Media services. We believe it is important to identify, develop, and maintain stable relationships with our channel partners in order to drive our revenue growth.

While we intend to continue dedicating resources to identifying, developing and maintaining stable relationships with our channel partners, we cannot assure you that our existing or prospective channel partners will strictly comply with the exclusivity or other terms of our agreements with them. They may also cease marketing our products with limited or no notice. If we fail to identify additional channel partners in a timely and cost-effective manner, or at all, or are unable to assist our current and future channel partners in independently selling and deploying our products and services, our business, results of operations, and financial condition could be adversely affected. Further, while we currently have comprehensive measures in place to prevent cannibalisation among our channel partners, there is no guarantee that such measures are, or can be, entirely effective.

**Our business, growth and prospects are significantly affected by the growth in digital channels and usage of Digital Commerce and Digital Media in China.**

Although SaaS products have been well-developed globally in recent years, SaaS products remain less common and less mature in terms of development in China compared to the United States. As a result, the transition to SaaS products in China may be slower among merchants with heightened data security concerns or demands for highly customisable application software. Whether our merchants accept our SaaS products depends, to a large extent, on their level of awareness of our SaaS product offerings and the widespread, global use of SaaS products. We cannot assure you that the trend of adopting and utilising such products by merchants will continue to grow in the future.

In addition, marketing through new digital channels such as mobile social media remains less established compared to other conventional means such as search engines. The future growth of our business may be constrained by a combination of the (i) level of acceptance and expansion of emerging targeted marketing channels, and (ii) continued use and growth of existing targeting marketing channels. Even if targeted marketing becomes widely adopted, advertisers may not be familiar with, or be willing to make significant investments in, services such as ours which can assist them in managing their targeted marketing across channels and devices. As a result, we cannot predict with certainty the demand for our solutions and services or the future growth rate and size of the market for our Digital Commerce and Digital Media.

Market expansion for Digital Commerce and Digital Media in China depends on a number of factors, including the growth of new digital channels and the cost, as well as performance and perceived value associated with, Digital Commerce and Digital Media. If Digital Commerce and Digital Media does not achieve widespread acceptance, or there is a reduction in demand for such products or services caused by weakening economic conditions, decreases in corporate spending, technical challenges, data security or privacy concerns, governmental regulation, competing technologies and solutions or services or otherwise, our business, growth prospects and results of operations will be materially and adversely affected.

**We face intensive competition in the markets in which we operate and may not be able to compete successfully against our existing and future competitors.**

We face competition in various aspects of our business and we expect such competition to continue growing in the future. Many of our competitors have longer operating histories and experience, larger client bases, greater brand recognition, more extensive commercial relationships within China and greater financial, technical, marketing, and other resources than we do. As a result, such competitors may be able to develop products and services better received by merchants or advertisers or may be able to respond more quickly and effectively to new or changing opportunities, technologies, regulations or clients' needs. In terms of our Subscription Solutions, we may also face potential competition from cloud-based services provided by third-party developers using our Weimob Cloud platform. In addition, some of our competitors may be able to leverage a larger existing client base and sales network to adopt more aggressive pricing policies and offer more attractive sales terms. This could cause us to lose potential sales or compel us to sell our solutions and services at lower prices to remain competitive, which may have a material adverse impact on our results of operation and financial condition.

**We have incurred net losses in the past. Although we have turned profit-making in 2019, we may nonetheless incur net losses in the future.**

We recorded a net loss of RMB1,091.2 million in 2018. While we generated net profits of RMB311.3 million in 2019, we recorded a loss of RMB1,166.4 million in 2020. We cannot assure you that we will be able to continue generating profits in the future. The net loss recorded in 2018 was mainly attributable to a loss of RMB1,044 million from the change in fair value of financial liabilities other than from own credit risk related to our preferred shares under HKFRS, the listing and other one-off expenses of RMB60 million and share-based compensation of RMB33 million. The net loss recorded in 2020 was mainly attributable to the loss of RMB1,086 million due to change in fair value of convertible bonds under HKFRS and the expenses of RMB94 million under the compensation plan due to the SaaS sabotage event (as defined below).

Our ability to achieve profitability is affected by various factors, many of which are beyond our control. These include, among others, (i) growth in digital channels and the usage of Digital Commerce and Digital Media, (ii) governmental policies, initiatives, and incentives affecting the cloud service and targeted marketing industries, and (iii) changes in the macroeconomic and regulatory environment. If we are unable to successfully offset our increased costs and expenses with an appropriate increase in our revenue, our margins, financial condition and results of operations may be materially and adversely affected.

We may also incur losses in the future due to our continued and increased investments in research and development, marketing, human resources, and other aspects of our business and operations, or as a result of changes in competitive dynamics within the markets and our inability to respond to these changes in a timely and effective manner.



**Our deficit or net liabilities and our negative net cash flows from our operating activities may expose us to certain liquidity risks and may constrain our operational flexibility as well as adversely affect our financial condition and ability to expand our business.**

As at 31 December 2018, we recorded total deficit of RMB2,432.5 million. As of 31 December 2018, we had net liabilities primarily because we recorded redeemable and convertible preferred shares in connection with the Pre-IPO Investments as non-current liabilities. All the redeemable and convertible preferred shares had been converted into ordinary shares of our Company upon completion of our Listing, and the liabilities of these redeemable and convertible preferred shares had been derecognised and accounted for as an increase in equity upon the Listing. Therefore, upon our Listing, we have turned into a positive equity position. Our net cash used in operating activities were RMB451.3 million, RMB413.7 million and RMB47.9 million in 2018, 2019 and 2020, respectively. Our net cash used in operating activities in 2018, 2019 and 2020 primarily reflected our needs in working capital for targeted marketing business, in line with the significant growths in our targeted marketing business.

We cannot assure you that we will be able to generate positive cash flows from operating activities in the future. If we record net operating cash outflows in the future, our working capital may be constrained which may adversely affect our financial condition. We may also continue to record net current liabilities in the future. Significant net current liabilities may constrain our operational flexibility and adversely affect our ability to expand our business. Our future liquidity, payment of trade payables, and bank and other borrowings primarily depend on our ability to maintain adequate cash inflows from our operating activities and adequate external financing. If we are unable to maintain our sources of funding in a timely manner and on reasonable terms, or at all, we may face liquidity issues and our business, financial condition and results of operations may be materially and adversely affected.

**Systems disruptions, distributed denial of service attacks, or other hacking and phishing attacks on our systems and security breaches may delay or interrupt services to our merchants and their customers, harm our reputation and subject us to significant liability, which, in turn, may adversely affect our business, results of operations, and financial results.**

In the past, we have been subject to system disruptions and distributed denial of service (DDoS) attacks, a technique used by hackers to take an Internet service offline by overloading its servers. Our infrastructure may be subject to such attacks and breaches in the future and we cannot assure you that any applicable recovery system, security protocol, network protection mechanisms or other defense procedures are, or will be, adequate to prevent such network or service interruptions, system failures or data losses. Additionally, our infrastructure and systems may also be breached if any vulnerabilities therein are exploited by unauthorised third parties.

Since techniques used to obtain unauthorised access change frequently and the scale of DDoS attacks, hacking, and phishing attacks are increasing, we may not be able to implement sufficient preventative measures or stop the attacks while they are occurring. Should a high-profile or highly publicised security breach occur with respect to another Digital Commerce and Digital Media provider, clients may lose confidence in the security of our cloud-based commerce and marketing service model as a whole, which would have a material adverse impact on our ability to retain existing clients and attract new ones.

**We have experienced sabotage on the production environment and data of our SaaS business. Compensation for the SaaS sabotage event may result in material adverse financial impact to our business. In addition, the compensation fund we established for this incident may not be sufficient, and we may face litigations brought against us by the merchants affected. If similar incident happens in the future, we may lose the customers and our business, financial conditions and results of operations may be adversely affected.**

On 23 February 2020, one of our employees deliberately sabotaged our production environment and data of SaaS business and resulted in SaaS products being unavailable to customers temporarily (the “**SaaS sabotage event**”). After repair, the production environment of all of our SaaS business has been restored to normal, and the sabotaged back-up data of SaaS business merchants has been retrieved as well. As at

6 a.m. on 3 March 2020, we had completed online restoration of data of SaaS business, and restored the data of 23 February 2020 and before. Considering that the SaaS product merchants may suffer loss of profits or loss of traffic resulting from the unavailability of the SaaS system, we launched a compensation plan, and accordingly offered two options for the affected SaaS business merchants' consideration, namely cash compensation and traffic compensation. Each merchant can choose one of the two options, but not both. In preparation for the potential compensation that might arise out of the SaaS sabotage event, our Company and our senior management planned to jointly bear the compensation and pay on pro-rata basis. For further details, see our announcements dated 25 February, 2 March and 3 March 2020.

As at 31 December 2020, the executive directors had paid approximately RMB11.5 million compensation to the Group and the remaining approximately RMB26.9 million had been settled in March 2021. The net impact on net loss for the year ended 31 December 2020 was approximately RMB94.3 million. We cannot assure you that there will not be any adverse effect on our medium and long-term business operation and financial conditions. Adverse publicity regarding the security of our SaaS products, even if factually incorrect or based on isolated incidents, may also arise from this SaaS sabotage event, which may damage our reputation, brand image, undermine the trust and credibility we have established and may in turn adversely affect our business and growth prospects. Furthermore, although we are not aware of any material litigation or complaint against us as a result of the SaaS sabotage event, we cannot assure you that no such claim will be brought against us by any of the merchants affected in the future, which would likely be time-consuming, costly to defend and may have a material adverse impact on our reputation and brand, making it harder for us to sell our products and services.

We have attached great importance on system security. In order to prevent recurrence of similar SaaS sabotage event, we have gradually implemented data security plans advised by external data security experts including management and implementation of the multi-level authorisation in production environment and data, migration of the data to the Tencent Cloud Database, enhancement of the ability to respond quickly to SaaS sabotage events, enhancement of disaster recovery systems building, and the learning of laws and professional ethics by the operation and maintenance personnel. However, we cannot assure you that all of such security plans will be implemented successfully, or are effective and sufficient to prevent recurrence of similar SaaS sabotage event, or that similar SaaS sabotage event will not occur in the future. If any event of the similar nature to the SaaS sabotage event happen in the future, we may lose the customers and our business, financial condition and results of operations may be adversely affected.

**We store personal information belonging to our merchants and their customers in relation to our Subscription Solutions on our systems. If our security is compromised, or such information is otherwise accessed or damaged without authorisation, our reputation may be harmed, and we may be exposed to potential liability and significant loss of business.**

We store personally identifiable information, credit card information, and other confidential information relating to our merchants and their customers, and are subject to PRC laws and regulations regarding privacy and the protection of data. We do not regularly monitor or review content uploaded and stored by our merchants, as our specialised team only reviews such content if our software makes a report after having filtered it for purposes of legality. Therefore, we do not control the substance of the content on our servers, which may include personal information. In addition, according to Guidelines for Internet Personal Information Security Protection promulgated by the Ministry of Public Security on 10 April 2019, personal information collected and generated during operations in the PRC should be stored within the PRC, and any transfer of such information overseas should follow relevant national rules. We cannot assure you that third parties will not succeed in their attempts to obtain unauthorised access to any personally identifiable information relating to our merchants and their customers or transfer such information overseas illegally. Such information may also be otherwise exposed through human error or other malfeasance. Any unauthorised access or compromise of such personally identifiable information or any illegal transfer of such information overseas could have an adverse effect on our business, financial condition and results of operations.

**Loss of any media publishers and changes in our contract terms with any of our media publishers may materially and adversely affect our business and results of operations.**

Our continued access to attractive content distribution opportunities and premium media resources remains crucial to our targeted marketing business. We currently rely on a concentrated group of content distribution channels, which primarily includes online and mobile media publishers and major search engines, including those owned or operated by Tencent and ByteDance. We had not owned or controlled any content distribution channel in China. In addition, our contracts with content distribution channels are generally for a period of one year, and do not impose any long-term obligation requiring them to make their content distribution opportunities available to us on acceptable terms, or at all. Although there is no material change in our relationship with our content distribution channels, we cannot assure you that we are able to maintain regular access to our existing content distribution opportunities. Loss of access to any one of our content distribution channels, or the ability to source any alternative content distribution channels in a timely manner, or at all, may negatively impact our capacity to help advertisers reach their target audience and may, in turn, affect our business, brand and results of operations.

Furthermore, ByteDance and its subsidiaries are the targets of U.S. Executive Order 13942 issued by former U.S. President Donald Trump on 6 August 2020. The scope of the Executive Order relating to ByteDance however applies to dealings outside of the PRC. Investors are reminded that the majority of the Group's total revenue is currently derived from PRC. The Group does not believe that the present Executive Order would have a material impact to its current business and results of operations. However, there can be no assurance that the current and/or future (if any) Executive Orders affirmed or carried out by the U.S. administration may have an impact on the Group's future business and results of operations, to the extent that the Group has expanded its material business and operations outside of the PRC and where it continues to rely on content distribution channels being provided by entities subject to similar Executive Orders.

**If our machine learning and analytics algorithms for assessing and predicting potential target audiences with our targeted marketing content are or become flawed or ineffective, or if our products and services fail to improve the marketing results for our advertisers, our reputation and market share may be materially and adversely affected.**

We utilise our proprietary algorithms and data engines to track, process, and analyse social media user data, forecast probability and the nature of social media users' potential engagement with a given marketing message, create and tailor the marketing message to specific user interest, and execute marketing campaigns based on parameters specified by our advertisers.

We do not generally verify the data we gather, which may be subject to fraud or otherwise inaccurate. Even if such data were accurate, they may become irrelevant or outdated and, as a result, may not reflect a user's genuine interest or accurately predict his or her interaction with a given marketing message. In addition, we anticipate significant growth in the amount of data we process as we continue to develop new solutions, services and features to meet evolving and growing demands from advertisers. As the amount of data and variables we process increases, our algorithms and data engines process increasingly complex calculations, and, as a result, the likelihood of defect and errors increases. To the extent our proprietary algorithms and data engines fail to accurately assess or predict a user's interest in and interaction with relevant marketing content, or experience significant errors or defects, advertisers may not achieve their marketing goals in a cost-effective manner or at all, which could make our platform less attractive to them, result in damages to our reputation and a decline in our market share, and adversely affect our business and results of operations.

**If our products and solutions contain serious errors or defects, we may lose our sources of revenue and our clients may lose confidence in our products and services. In addition, we may incur significant costs defending or settling claims with our clients as a result of such serious errors or defects.**

Products and solutions within the industry, such as those we develop, often contain errors, defects, security vulnerabilities or software issues that are difficult to detect and correct, particularly when first introduced or when new versions or enhancements are released. Despite internal testing, our platform may contain serious errors or defects, security vulnerabilities or software issues which we are unable to successfully correct in a timely manner or at all, which could result in revenue loss, significant expenditures of capital, a delay or loss in market acceptance and damage to our reputation and brand, any of which could have an adverse effect on our business, reputation, financial condition, and results of operations.

Given that many of our clients use our products and services in processes that are critical to their businesses, any error, defect, security vulnerability, service interruption or software issue in our platform could result in losses to our clients. Our clients may seek significant compensation from us for any losses they suffer or cease conducting business with us altogether. Further, our clients may share information about their negative experiences on social media, which could damage our reputation and result in a loss of future sales. We cannot assure you that provisions limiting our exposure to claims, which we typically include in agreements with our clients, would be enforceable, adequate or would otherwise protect us from liabilities or damages with respect to any particular claim. Even if unsuccessful, a claim brought against us by any of our clients would likely be time-consuming, costly to defend and may have a material adverse impact on our reputation and brand, making it harder for us to sell our products and services.

**We may be unable to achieve or maintain adequate data transmission capacity as required by our merchants.**

Our merchants often draw significant numbers of consumers to their social media storefronts over short periods of time, including from events such as new product releases, holiday shopping seasons, and flash sales, which significantly increases the traffic on our servers and volume of transactions processed on our platform. While we are generally able to maintain adequate data transmission capacity to handle such traffic and process orders in a timely manner, we cannot assure you that we are able to continue achieving, or maintaining, this in the future, particularly when we encounter an unexpectedly significant increase in traffic. If we are unable to achieve or maintain adequate data transmission capacity, this may significantly reduce our merchants' demand for our solutions. In the future, we may have to allocate resources and incur a substantial amount of expenses to build, purchase or lease additional data centres and equipment and upgrade our technology and network infrastructure in order to handle the increased load.

**If we are unable to successfully adapt our Subscription Solutions to our merchants' requirements or emerging industry standards, our business, prospects and financial results may be materially and adversely affected.**

As we make our services available across a variety of mobile operating systems and devices, we depend on the interoperability of our services with popular mobile devices and mobile operating systems that we do not control, such as Android and iOS. Any changes in such mobile operating systems or devices which degrade the functionality of our solutions and services, such as being incompatible with our solutions and services, preventing customers from accessing our merchants' storefronts, or giving preferential treatment to competitive services, could materially and adversely affect usage of our services. Any changes to technologies used in our solutions and services to existing features that we rely on, or to operating systems which make it difficult for our merchants to access our solutions or services or customers to access our merchants' storefronts, may make it more difficult for us to maintain or increase our revenues. This, in turn, may have a material and adverse impact on our business and prospects.

Further, as new devices are released or updated, we may encounter problems in developing and upgrading our products and services for use on mobile devices. We may need to devote significant resources to the creation, support and maintenance of such products for mobile devices, and we cannot assure you that we will be successful in doing so.

**If we are unable to maintain a consistently high level of customer service, this may materially and adversely impact our brand, business and financial results.**

We believe our focus on customer service and support is critical to onboarding new clients, retaining our existing clients and growing our business. As a result, we have invested heavily in the quality and training of our support team along with the tools they use to provide this service. If we are unable to maintain a consistently high level of customer service, we may lose our existing clients.

In addition, our ability to attract new clients is highly dependent on our reputation and on positive recommendations from our existing clients. Therefore, any failure to maintain a consistently high level of customer service, any market perception that we do not do so, could adversely affect our reputation and the number of positive client referrals that we receive.

**Any interruptions or delays in services from third-parties, including data centre hosting facilities and cloud computing server providers and other hardware and software vendors, or from our inability to adequately plan for and manage service interruptions or infrastructure capacity requirements, may impair the delivery of our services, and materially and adversely affect our business and results of operations.**

We rely on third-party data centre hosting facilities and cloud computing platform providers located in China. We also rely on computer hardware purchased from, software licensed from, and cloud computing platforms provided by, third parties in order to offer our services. We do not control the operation of any of these facilities provided by third-party providers, which may be vulnerable to damage or interruption. Any damage to, or a failure of systems of our third-party platform providers could result in interruptions in our services. In the past, we have experienced interruptions in our services, and such interruptions may occur in the future. Interruptions in our services may cause us to issue credits or pay penalties to our clients, cause our clients to make warranty or other claims against us. Any of this would create a material and adverse effect on our attrition rates and our ability to attract new clients, all of which would reduce our revenue. Our business and reputation may also be harmed if our clients, or potential clients, believe that our products and services are unreliable.

Additionally, these hardware, software, data and cloud computing platforms may not continue to be available to us at reasonable prices, on commercially reasonable terms, or at all. If we lose our right to use any of these hardware, software or cloud computing platforms, this could significantly increase our expenses or otherwise result in delays in the provisioning of our services until equivalent technology is either developed by us, or, if available, is identified, obtained through purchase or license and integrated into our services. If the performance of such third parties proves unsatisfactory, or if any of them violates its contractual obligations to us, we may need to replace such third-party and/or take other remedial action, which could result in additional costs and materially and adversely affect the products and services we provide to our clients. Further, the financial condition of our third-party providers may deteriorate over the course of our contract term with them, which may also impact the ability of such third-party to provide the agreed services, and have a material adverse effect on the services we provide our clients, and our results of operations.

**We may be unable to obtain, maintain and protect our intellectual property rights and proprietary information or prevent third-parties from any unauthorised use of our technologies.**

Our trade secrets, trademarks, copyrights, patents, and other intellectual property rights are critical to our success. We rely on, and expect to continue to rely on, a combination of confidentiality and non-compete, invention assignment and license agreements with our employees, and third parties with whom we have relationships, as well as our trademark, domain name, copyrights, trade secrets, patent rights, and other intellectual property rights to protect our brand. However, events beyond our control may pose a threat to our intellectual property rights, as well as to our products and services. Effective protection of trademarks, copyrights, domain names, patent rights, and other intellectual property rights is expensive and difficult to maintain, both in terms of application and costs, as well as the costs of defending and enforcing those rights. While we have taken measures to protect our intellectual property rights, we cannot assure you that such efforts are either sufficient or effective. As a result, our intellectual property rights may be infringed, misappropriated, or challenged, which could result in them being narrowed in scope or declared invalid or unenforceable.

**We may be subject to claims by third-parties for intellectual property infringement.**

We depend to a large extent on our ability to effectively develop and maintain intellectual property rights relating to our business. However, we cannot assure you that third-parties will not put forward claims that our business infringes upon or otherwise violates patents, copyrights or other intellectual property rights which they hold, whether such claims are valid or otherwise. We may face allegations that we have infringed the trademarks, copyrights, patents and other intellectual property rights of third parties, including our competitors, or allegations that we are involved in unfair trade practices. Defending against intellectual property claims is costly and can impose a significant burden on our management and resources. Further, there is no guarantee that we can obtain favourable final outcomes in all cases. Such intellectual property claims may harm our brand and reputation, even if they are vexatious or do not result in liability. Any resulting liability or expenses, or changes required to our products or services to reduce the risk of future liability, may have a material adverse effect on our business, results of operations, and prospects.

**We rely on search engines and social media platforms to attract our clients. If we are not able to generate traffic to our website through Internet search engines and social media platforms, our ability to attract new clients may be impaired.**

Many of our clients locate our website through Internet search engines, such as Baidu, and advertisements on social media platforms, such as WeChat. The prominence of our website in response to Internet searches is a critical factor in attracting potential clients to our platform. If we are listed less prominently or fail to appear in search results for any reason, visits to our website could decline significantly, and we may not be able to replace this traffic. Further, Internet search engines revise their algorithms from time to time to optimise their search results. As a result, our website may appear less prominently or not at all in search results, which could result in reduced traffic to our website.

Additionally, if the price of marketing our solutions and services over search engines or social networking platforms increases, we may incur additional marketing expenses or be required to allocate a larger portion of our marketing spend to search engine marketing, which could affect our business and operating results. Further, new search engines or social media platforms may develop that reduce traffic on existing search engines and social media platforms, and if we are not able to achieve prominence through advertising or otherwise, we may not achieve significant traffic to our website through these new platforms, and our business and operating results could be adversely affected.

**Our efforts to expand our services to a PaaS platform, and develop and integrate our existing services in order to keep pace with technological developments, may not succeed and may reduce our revenue growth rate, which may materially and adversely affect our business, financial condition, and results of operations.**

We derive a significant portion of our revenue from sales of our Subscription Solutions, and we expect this to continue for the foreseeable future. We launched Weimob Cloud, our PaaS platform in October 2017 to enrich our offerings to merchants and lay the foundation to establish our Weimob ecosystem. Our efforts to expand our services to the PaaS platform may not succeed, and may reduce our revenue growth rate. The markets for certain of our offerings remain relatively new, and it is uncertain whether our efforts, and related investments, will ever result in significant revenue for us. Further, the introduction of significant technology changes and upgrades and introduction of a PaaS platform may not be successful, and early stage interest and adoption of such new services may not result in long-term success or significant revenue for us.

Additionally, if we are unable to develop enhancements to, and new features for, our existing or new solutions and services in order to keep pace with rapid technological developments, our business could be adversely affected. The success of enhancements, new features, solutions, and services depends on several factors, including the timely completion, introduction, and market acceptance of the feature, service or enhancement by merchants, administrators and developers, as well as our ability to seamlessly integrate all of our service offerings. Failure in this regard may significantly impair our revenue growth as well as negatively impact our operating results if the additional costs are not offset by additional revenues.

**Our brand and brand name are integral to our success. If we fail to effectively maintain, promote and enhance our brand, our business and competitive advantage may be harmed.**

We believe that maintaining, promoting and enhancing our Weimob brand and brand name is critical to expanding our business. Maintaining and enhancing our brand and brand name depends largely on our ability to continue to provide high-quality, well-designed, useful, reliable, and innovative products and services, which we cannot assure you we will do successfully. Errors, defects, disruptions or other performance issues with our infrastructure may harm our reputation and brand, and we may introduce new solutions or terms of service which might be poorly received by our clients and their customers. Additionally, if our clients or their customers have a negative experience using our solutions or service, such an encounter may affect our brand and reputation within the industry. Our Weimob Cloud enables third-party developers to offer their services to merchants who engage them directly. Our reputation may be harmed if any of the services provided by these third parties does not meet our clients' expectations.

The successful promotion of our brand will also depend on the effectiveness of our marketing efforts. We market our platform primarily through advertisements on search engines and social networking sites, and also through our direct sales force, channels partners, and a number of free traffic sources, including client referrals and word-of-mouth. Our efforts to market our brand have involved significant costs and expenses, which we intend to increase going forward. We cannot assure you, however, that our marketing spends will lead to increased paying merchants or advertisers or increased revenue, and even if so, such increases in revenue may not be sufficient to offset expenses we incur in building and maintaining our reputation and brand name.

**We are dependent on the continued services and performance of our senior management and other key employees, the loss of any of whom could adversely affect our business, operating results and financial condition.**

Our future performance depends on the continued services and contributions of our senior management, including our co-founders, Chief Executive Officer, Chief Technology Officer, Chief Financial Officer, Chief Human Resources Officer, and other key employees, to oversee and execute our business plans and identify and pursue new opportunities and product innovations. Any loss of service of our senior management or other key employees can significantly delay or prevent us from achieving our strategic business objectives, and adversely affect our business, financial condition and operating results. From time to time, there may be changes in our senior management team, resulting from the hiring or departure of executives, which could also disrupt our business. Hiring suitable replacements and integrating them within our business also requires significant amounts of time, training and resources, and may impact our existing corporate culture.

**If we are unable to attract, retain and motivate qualified personnel, our business may be adversely affected.**

Our future success depends, in part, on our ability to continue to attract and retain highly skilled personnel specialising in mobile Internet, cloud computing and marketing. If we lose the services of any member of management or key personnel, we may not be able to locate suitable or qualified replacements, and may incur additional expenses to recruit and train new staff, which could severely disrupt our business and growth, therefore materially and adversely affecting our business, financial condition, results of operations and prospects.

Meanwhile, the size and scope of our business may require us to hire and retain a wide range of effective and experienced personnel who can adapt to a dynamic, competitive and challenging business environment. Competition for talent and qualified personnel in the PRC Digital Commerce and Digital Media industries is intense, and the availability of suitable and qualified candidates in the PRC is limited. Competition for these individuals could cause us to offer higher compensation and other benefits to attract and retain them. In addition, even if we were to offer higher compensation and other benefits, we cannot assure you that these individuals would choose to join, or continue working for, us. If we fail to attract and retain personnel with suitable managerial or other expertise, or to maintain an adequate labour force on a continuous and sustained basis, our financial position and results of operations could be materially and adversely affected.

**Activities of merchants or the content of their social media storefronts could damage our brand, subject us to liability and harm our business and financial results.**

Our terms of service prohibit our clients from using our solutions or services to engage in illegal activities, and our terms of service permit us to curb these merchants, report such illegal use to relevant authorities and close the merchants' accounts if we become aware of such illegal use. Merchants may nonetheless engage in prohibited or illegal activities or upload content in violation of applicable laws, which could subject us to liability. Further, our brand may be negatively impacted by the actions of merchants that are deemed to be hostile, offensive, inappropriate or illegal. We do not proactively monitor or review the appropriateness of the content of our merchants' storefronts and we do not have control over merchant activities. The safeguards we have in place may not be sufficient for us to avoid liability or avoid harm to our brand, especially if such hostile, offensive, inappropriate or illegal use is high-profile, which could adversely affect our business and financial results.

**Our operating results are subject to seasonal fluctuations.**

We have experienced, and expect to continue to experience, seasonal fluctuations in our revenues and results of operations. We have historically generated lower revenue in our first quarter than in other quarters, mainly due to slower and postponed spending or purchase by our clients (for both our Digital Commerce and Digital Media) as a result of holidays such as Chinese New Year in the first quarter. For example, a significant number of our advertisers for targeted marketing are SMBs, whose businesses are typically slower in the first quarter, as many of their employees are away during the holiday period. As a result, our revenues may vary from quarter to quarter, and our quarterly results may not be comparable to the corresponding periods of prior years, and you may not be able to predict our annual results of operations based on a quarter-to-quarter comparison of our results of operations. While we believe that this seasonality will continue to affect our quarterly results, our rapid growth has largely masked seasonal trends to date on an annualised basis. As a result of the continued growth of our solutions and services offerings, we believe that our business may become more seasonal in the future, and that historical patterns in our business may not be a reliable indicator of our future sales activity or performance, and any quarterly fluctuations in our revenues and results of operations could result in volatility and cause the price of our shares to fall. As our revenues grow, these seasonal fluctuations may become more pronounced as a result.

**We have realigned our business segments in late 2020. For comparison purpose, we restated our operating and financial information by segment for the year ended 31 December 2019 in our annual report for the year ended 31 December 2020 to conform with the new presentation. Such restructuring of segments may render the historical operating and financial information as at and for the year ended 31 December 2018 not directly comparable with their respective operating and financial information after 1 January 2019.**

Prior to late 2020, our executive Directors reviewed the operating results of SaaS products and targeted marketing service separately, and thus our operating segments were: (i) SaaS products, and (ii) targeted marketing services. In late 2020, to better empower digital transformation for merchants through offering diverse business solution, we restructured our operating segments to "Subscription Solutions" and "Merchant Solutions" as the core, and "Digital Media" as the supplement. Subscription Solutions mainly comprise our standard cloud-hosted commerce and marketing SaaS products, customised software such as ERP solutions and other software related services. Merchant Solutions mainly comprise value-added services offered to merchants as part of the holistic solutions to meet merchants' online digital commerce and marketing needs, including assisting merchants to purchase online advertising traffic in various media platforms. Digital media mainly comprise advertisement placement services offered to certain merchants in which specified results or actions are committed.



As a result, the figures in the consolidated income statement and the notes for the years ended 31 December 2019 and 2020, as well as the operating data for the same periods, have been restated to conform with the new presentation. However, no such changes were made to the financial statements or the operating data as at and for the year ended 31 December 2018. Accordingly, historical operating and financial information as at and for the year ended 31 December 2018 may not be directly comparable against their respective operating and financial information after 1 January 2019. Investors must therefore exercise caution when making comparisons of any operating and financial figures after 1 January 2019 against our historical operating and financial figures prior to 1 January 2019 and when evaluating our respective financial condition, results of operations and results.

**The outbreak of COVID-19 may adversely affect our business, results of operation, financial condition and prospects.**

Beginning December 2019, an outbreak of COVID-19 emerged and expanded around the world in the following months. COVID-19 is considered highly contagious and may pose serious threat to the health and well-being of the public. The PRC government has implemented numerous measures, including quarantine of infected and suspect cases, lockdown of cities with high risks of infection, cancellation of trains and flights and other travel restrictions. As at the date of this Offering Circular, the outbreak of COVID-19 had spread to over 100 countries and regions around the world, and had not been fully contained. The World Health Organisation declared the outbreak of COVID-19 a Public Health Emergency of International Concern on 30 January 2020, and later characterised COVID-19 as a pandemic on 11 March 2020. The fatalities resulted from COVID-19 and the restrictive measures adopted to contain COVID-19 are likely to have an adverse effect on the livelihood of people and the economic conditions of the regions affected.

Our Directors and management team have been closely monitoring the outbreak of COVID-19, and are constantly assessing its actual and potential impact on our business and results of operations. As at the date of this Offering Circular, the outbreak of COVID-19 had not had material adverse impact on our business, financial condition and results of operation. However, the full extent to which the coronavirus impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions to contain COVID-19 or treat its impact, among others.

**Our risk management and internal control systems may not be adequate or effective in all respects, which may materially and adversely affect our business and results of operations.**

We seek to establish risk management and internal control systems consisting of an organisational framework, policies, procedures and risk management methods that are appropriate for our business operations, and seek to continue to improve these systems. However, due to the inherent limitations in the design and implementation of risk management and internal control systems, we cannot assure you that our risk management and internal control systems will be able to identify, prevent and manage all risks. Our internal control procedures are designed to monitor our operations and ensure their overall compliance. However, our internal control procedures may be unable to identify all non-compliance incidents in a timely manner or at all. It is not always possible to timely detect and prevent fraud and other misconduct, and the precautions we take to prevent and detect such activities may not be effective.

Our risk management and internal controls also depend on their effective implementation by our employees. Due to the significant size of our operations, we cannot assure you that such implementation will not involve any human errors or mistakes, which may materially and adversely affect our business and results of operations. As we are likely to offer a broader and more diverse range of services and solutions in the future, the diversification of our service offerings will require us to continue to enhance our risk management capabilities. If we fail to timely adapt our risk management policies and procedures to our changing business, our business, results of operations and financial condition could be materially and adversely affected.

**Regulatory, legislative or self-regulatory developments for online businesses, including privacy and data protection regimes, are expansive, not clearly defined and rapidly evolving. These laws and regulations could create unexpected costs, subject us to enforcement actions for compliance failures, or restrict portions of our business or cause us to change our technology platform or business model.**

Governments across the world, including the PRC and Hong Kong governments, have enacted, or are considering enacting, legislation relating to online businesses. These laws and regulations could adversely affect the demand for or effectiveness and value of our products, force us to incur substantial costs, or require us to change our business practices in a manner that could adversely affect our business and results of operations, or compromise our ability to effectively pursue our growth strategies.

In recent years, the PRC government has enacted legislation relating to Internet use to protect personal information from any unauthorised disclosure. For example, the Several Provisions on Regulating the Market Order of Internet Information Services, promulgated by the MIIT, stipulate that Internet information service providers must not, without a user's consent, collect the user's personal information that can reveal the identity of the user whether by itself or when used in combination with other information, and must not provide any such information to third parties without prior consent from the user. Internet information service providers shall inform their users about their service scope and shall not use users' information beyond such scope or collect any other information that is irrelevant to the services they provide. In addition, according to Guidelines for Internet Personal Information Security Protection promulgated by the Ministry of Public Security, Internet information service providers shall take technical measures and other necessary measures to ensure the security of the personal information they have collected and prevent such information from being divulged, damaged or lost and in case that personal information has been or may be divulged, damaged or lost, take remedial measures immediately, inform users in accordance with the relevant provisions and report the same to the relevant competent departments. In Hong Kong, the Hong Kong Personal Data Ordinance prohibits an Internet company from collecting information about its users, analysing the information for a profile of a user's interests or selling or transmitting the profiles to third parties for direct marketing purposes unless it has obtained the user's consent.

We strive to comply with all applicable laws and regulations relating to privacy and data collection, processing, use, and disclosure. These laws and regulations are continually evolving, are not always clear, and are not always consistent across the jurisdictions in which we do business, and the measures we take to comply with these laws, regulations and industry standards may not always be effective. We may be subject to litigation or enforcement action or reduced demand for our solutions or services if we or our clients fail to abide by applicable privacy laws, or to provide adequate notice and/or obtain consent from end users. In addition, some of our content distribution channels require us to indemnify and hold them harmless from the costs or consequences of litigation resulting from using their networks. Any proceeding or perception of concerns relating to our collection, use, disclosure, and retention of data, including our security measures applicable to the data we collect, whether or not valid, could adversely affect our reputation, force us to spend significant amounts on defense of these proceedings, distract our management, increase our costs of doing business and inhibit the use of our products, which could materially and adversely affect our business, results of operations and prospects.

**Our strategy of making strategic acquisitions and investments may fail and may result in material and adverse impact on our financial condition and results of operations.**

As part of our business growth strategy, we may, in the future, acquire businesses or platforms that we believe can expand and strengthen our product and client coverage, as well as our technological capacities. Our ability to implement our acquisition strategy will depend on our ability to identify suitable targets, our ability to reach agreements with them on commercially reasonable terms, and within a desired timeframe, and the availability of financing to complete acquisitions, as well as our ability to obtain any required shareholder or government approvals. Our strategic acquisitions and investments could subject us to uncertainties and risks, including high acquisition and financing costs, potential ongoing financial obligations and unforeseen or hidden liabilities, failure to achieve our intended objectives, benefits or revenue-enhancing opportunities, uncertainty of entering into markets in which we have limited or no

experience, and in which competitors have stronger market positions, costs associated with, and difficulties in, integrating acquired businesses and managing a larger business, and diversion of our resources and management attention. Our failure to address these uncertainties and risks may have a material adverse effect on our liquidity, financial condition and results of operations. Even if we are able to successfully acquire or invest in suitable businesses, we cannot assure you that we will achieve our expected returns on such acquisitions or investments. If we fail to identify or acquire suitable projects or achieve our expected returns on such acquisitions or investments in the future, our business, financial conditions, results of operations and prospects may be materially and adversely affected.

Acquisitions also pose the risk that we may be exposed to successor liability relating to the actions by an acquired company and its management before and after the acquisition. The due diligence that we conduct in connection with an acquisition or investment may not be sufficient to discover unknown liabilities, and any contractual guarantees or indemnities that we receive from the sellers of the acquired companies or investment target companies and/or their shareholders may not be sufficient to protect us from, or compensate us for, actual liabilities. A material liability associated with an acquisition or investment could adversely affect our reputation and reduce the benefits of the acquisition or investment. In addition, if the management team or key employees of an acquired company fail to perform as expected, this may affect the business performance of such acquired company and, in turn, have a material adverse effect on our business, financial conditions and results of operations.

**We may not have sufficient insurance coverage to cover our potential liability or losses and as a result, our business, financial conditions, results of operations and prospects may be materially and adversely affected should any such liability or losses arise.**

We face various risks in connection with our business, and may lack adequate insurance coverage or have no relevant insurance coverage. Further, insurance companies in China do not currently offer as extensive an array of insurance products as insurance companies in other more developed economies. As at the date of this Offering Circular, we had not had any business liability or disruption insurance to cover our operations. We have determined that the costs of insuring against these risks, and the difficulties associated with acquiring such insurances on commercially reasonable terms render these insurances, is impractical for our business and purposes. However, any uninsured business disruptions may result in our incurring substantial costs and the diversion of resources, which could have an adverse effect on our business and results of operations. We also make social insurance and housing provident fund contributions for our employees. In the past, our certain PRC subsidiaries did not make adequate contribution of a social insurance and housing provident fund based on employees' average monthly salary of the previous year. If the relevant authorities determine that we have to make supplemental social insurance and housing provident fund contributions, and that we are subject to administrative fines, our business and financial condition and results of operations may be adversely affected.

**Any discontinuation, reduction or delay of any preferential tax treatments or government grants that may be available to us in the future could materially and adversely affect our business, financial condition and results of operations.**

We have benefited from preferential tax treatments from the PRC government. Certain of our subsidiaries in the PRC including Weimob Development, Shanghai Heading Information Engineering Co., Ltd and Shanghai Heading Information Technology Co., Ltd. are qualified as "high and new technology enterprises" and were subject to a preferential income tax rate of 15% for the years ended 31 December 2019 and 2020. Pursuant to the "Announcement on Relevant Policies for Deepening the Value-added Tax Reform" (Cai Shui Haiguan [2019] 39) jointly issued by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs, we, as a service company, qualify for additional 10% deduction of input value-added tax from output VAT since 1 April 2019. The policies regarding the VAT refunds is subject to change and termination. The government agencies may decide to reduce, eliminate or cancel our tax preferences at any time. Therefore, we cannot assure you of the continued availability of such tax preference which we currently enjoy. The discontinuation, reduction or delay of the preferential tax treatment could adversely affect our financial condition and results of operations. We also receive government grants primarily in the form of non-recurring financial assistance from the local government in Shanghai, China. As these grants are provided typically on a one-off basis, there is no guarantee that we will continue receiving or benefitting from them in the future.

**The impact of worldwide economic conditions, including the resulting effect on spending by SMBs, may adversely affect our business, operating results and financial condition.**

Currently, a majority of the merchants that use our solutions and services are SMBs. Our performance is subject to worldwide economic conditions and their impact on levels of spending by SMBs and their customers. SMBs and entrepreneurs may be disproportionately affected by economic downturns. SMBs and entrepreneurs frequently have limited budgets, and may choose to allocate their spending to items other than our platform, especially in times of economic uncertainty or recessions.

**Any future occurrence of force majeure events, natural disasters or outbreaks of contagious diseases in the PRC may materially and adversely affect our business, financial condition and results of operations.**

Any future occurrence of force majeure events, natural disasters or outbreaks of epidemics and contagious diseases, including avian influenza, severe acute respiratory syndrome, H1N1 influenza, Ebola virus or novel coronavirus (2019-nCoV) disease (COVID-19), may materially and adversely affect our business, financial condition and results of operations. An outbreak of an epidemic or contagious disease could result in a widespread health crisis and restrict the level of business activities in affected areas, which may, in turn, materially and adversely affect our business. Moreover, the PRC has experienced natural disasters such as earthquakes, floods and droughts in the past few years. Any future occurrence of severe natural disasters in the PRC may materially and adversely affect its economy and therefore our business. We cannot assure you that any future occurrence of natural disasters or outbreaks of epidemics and contagious diseases, including avian influenza, severe acute respiratory syndrome, H1N1 influenza, COVID-19 or other epidemics, or the measures taken by the PRC government or other countries in response to such contagious diseases, will not seriously disrupt our operations or those of our clients, which may materially and adversely affect our business, financial condition and results of operations.

**We may be unable to obtain any additional capital required in a timely manner or on acceptable terms, or at all. Further, our future capital needs may require us to sell additional equity or debt securities that may dilute our shareholders' shareholdings or introduce covenants that may restrict our operations or our ability to pay dividends.**

To grow our business and remain competitive, we may require additional capital from time to time for our daily operations. Our ability to obtain additional capital is subject to a variety of uncertainties, including:

- our market position and competitiveness in the industries in which we operate;
- our future profitability, overall financial condition, results of operations and cash flows;
- general market conditions for capital-raising activities by our competitors or other Digital Commerce and Digital Media providers in China; and
- economic, political and other conditions in China and internationally.

We may be unable to obtain additional capital in a timely manner or on acceptable terms, or at all. In addition, our future capital or other business needs could require us to sell additional equity or debt securities, or to obtain a credit facility. The sale of additional equity or equity-linked securities could dilute our shareholders' shareholdings. Any incurrence of indebtedness will also lead to increased debt service obligations, and could result in operating and financing covenants that may restrict our operations or our ability to pay dividends to our shareholders.

## **RISKS RELATING TO CONDUCTING BUSINESS IN CHINA**

**Adverse changes in the economic, political and social conditions, as well as policies of the PRC government, could have a material adverse effect on our business and prospects.**

The majority of our revenue is derived from our businesses in the PRC. Accordingly, our financial condition, results of operations and prospects are, to a material extent, subject to economic, political, and legal developments in the PRC. The PRC economy differs from the economies of developed countries in many respects, including, among other things, the degree of government involvement, control of investment, level of economic development, growth rate, foreign exchange controls, and resource allocation.

Although the PRC economy has been transitioning from a planned economy to a more market-oriented economy for the past four decades, a substantial portion of productive assets in the PRC is still owned by the PRC government. The PRC government also exercises significant control over the economic growth of the PRC through allocating resources, controlling payments of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. In recent years, the PRC government has implemented measures emphasising the utilisation of market forces in economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance practices in business enterprises. Some of these measures benefit the overall PRC economy, but may adversely affect us. For example, our financial condition and results of operations may be adversely affected by government policies on the Internet service industry in China or changes in tax regulations applicable to us. If the business environment in the PRC deteriorates, our business in the PRC may also be materially and adversely affected.

**The legal system of the PRC is not fully developed, and inherent uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to our business and our shareholders.**

The PRC legal system is based on written statutes. Unlike common law systems, it is a system in which legal cases have limited value as precedents. In the late 1970s, the PRC government began to promulgate a comprehensive system of laws and regulations governing economic matters in general. The overall effect of legislation over the past four decades has significantly increased the protections afforded to various forms of foreign or private-sector investment in China. Our PRC subsidiaries are subject to various PRC laws and regulations generally applicable to companies in China. However, since these laws and regulations are relatively new, and the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform, and enforcement of these laws, regulations and rules involves uncertainties.

From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. However, since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in more developed legal systems. Further, the PRC legal system is based in part on government policies and internal rules (some of which are not published in a timely manner or at all) that may have retroactive effect. As a result, we may not be aware of our violation of these policies and rules until sometime after the violation. Such uncertainties, including uncertainty over the scope and effect of our contractual, property (including intellectual property) and procedural rights, and any failure to respond to changes in the regulatory environment in China, could materially and adversely affect our business and impede our ability to continue our operations, and may further affect the legal remedies and protections available to investors, which may, in turn, adversely affect the value of your investment.

PRC laws and regulations concerning the Internet service industry are developing and evolving. Although we have taken measures to comply with the laws and regulations that are applicable to our business operations, and to avoid conducting any non-compliant activities under the applicable laws and regulations, the PRC government authorities may promulgate new laws and regulations regulating the

Internet service industry in the future. We cannot assure you that our practice would not be deemed to violate any new PRC laws or regulations relating to Internet service. Moreover, developments in the Internet service industry may lead to changes in PRC laws, regulations and policies, or in the interpretation and application of existing laws, regulations and policies that may limit or restrict Internet service platforms like ours, which could materially and adversely affect our business and operations.

**The successful operations of our business and our growth depend upon the Internet infrastructure and telecommunication network in the PRC.**

Our business depends on the performance and reliability of the Internet infrastructure in China. Almost all access to the Internet is maintained through state-owned telecommunication operators under the administrative control and regulatory supervision of the Ministry of Industry and Information Technology of China. In addition, the national networks in China are connected to the Internet through state-owned international gateways, which are the only channels through which a domestic user can connect to the Internet outside of China. We may not have access to alternative networks in the event of disruptions, failures or other problems with China's Internet infrastructure. In addition, the Internet infrastructure in China may not support the demands associated with continued growth in Internet usage.

The failure of telecommunications network operators to provide us with the requisite bandwidth could also interfere with the speed and availability of our websites. We have no control over the costs of the services provided by the national telecommunications operators. If the prices that we pay for telecommunications and Internet services rise significantly, our gross margins could be adversely affected. In addition, if Internet access fees or other charges to Internet users increase, our user traffic may decrease, which in turn may significantly decrease our revenues.

**The M&A Rules and certain other PRC regulations establish complex procedures for some acquisitions of Chinese companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in China.**

The Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors, or the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, and some other established regulations and rules concerning mergers and acquisitions, as well as additional procedures and requirements, could make merger and acquisition activities by foreign investors more time-consuming and complex, including requirements, in some instances, that the MOFCOM be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise. Moreover, the Anti-Monopoly Law requires that the MOFCOM shall be notified in advance of any concentration of undertaking if certain thresholds are triggered. In addition, the security review rules issued by the MOFCOM that became effective in September 2011 and January 2021 specify that mergers and acquisitions by foreign investors that raise "national defense and security" concerns, and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise "national security" concerns, are subject to strict review by the MOFCOM, and the rules prohibit any activities attempting to bypass a security review. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval from the MOFCOM or its local counterparts may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

**We may be classified as a “PRC resident enterprise” for PRC enterprise income tax purposes, which could result in unfavourable tax consequences to us and our shareholders, and have a material adverse effect on our results of operations and the value of your investment.**

Under the EIT Law and its implementation rules, an enterprise established outside of the PRC with a “de facto management body” within the PRC is considered a resident enterprise, and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation rules define the term “de facto management body” as the body that exercises full and substantial control over, and overall management of the business, productions, personnel, accounts and properties of an enterprise. In April 2009, the SAT issued a circular, known as Circular 82, which was most recently amended on December 29, 2017. Circular 82 provides certain specific criteria for determining whether the “de facto management body” of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those that are not controlled by PRC enterprises or PRC enterprise groups like us, the criteria set forth in the circular may reflect the SAT’s general position on how the “de facto management body” test should be applied in determining the tax resident status of all offshore enterprises. According to Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its “de facto management body” in China, and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management is in the PRC, (ii) decisions relating to the enterprise’s financial and human resource matters are made, or are subject to approval by organisations or personnel in the PRC, (iii) the enterprise’s primary assets, accounting books, and records, company seals, and board and shareholder resolutions are located or maintained in the PRC, and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

However, the tax-resident status of an enterprise is subject to determination by the PRC tax authorities, and uncertainties remain with respect to the interpretation of the term “de facto management body”. As substantially all of our management members are based in China, it remains unclear how the tax residency rule will apply in our case. If the PRC tax authorities determine that our Company, or any of our subsidiaries outside of China, is a PRC resident enterprise for PRC enterprise income tax purposes, then our Company or such subsidiary could be subject to PRC tax at a rate of 25% on its world-wide income, which could materially reduce our net income. In addition, we will also be subject to PRC enterprise income tax reporting obligations. Further, if the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, gains realised on the sale or other disposition of our ordinary shares may be subject to PRC tax, at a rate of 10% in the case of non-PRC enterprises or 20% in the case of non-PRC individuals (in each case, subject to the provisions of any applicable tax treaty), if such gains are deemed to be from PRC sources. It is unclear whether non-PRC shareholders of our company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your investment in the Bonds.

**Fluctuations in exchange rates could result in foreign currency exchange losses.**

The value of the RMB against the Hong Kong dollar, the U.S. dollar and other currencies fluctuates, is subject to changes resulting from the PRC government’s policies, and depends, to a large extent, on domestic and international economic and political developments, as well as supply and demand in the local market. It is difficult to predict how market forces or government policies may impact the exchange rate between the RMB and the Hong Kong dollar, the U.S. dollar or other currencies in the future. In addition, the People’s Bank of China regularly intervenes in the foreign exchange market to limit fluctuations in RMB exchange rates, and to achieve policy goals. We are subject to the risk of volatility in future exchange rates and to the PRC government’s controls on currency conversion.

There are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. Further, we are also currently required to obtain the SAFE’s approval before converting significant sums of foreign currencies into RMB. All of these factors could materially and adversely affect our business, financial condition, and results of operations and prospects, and could reduce the value of, and dividends payable on, the Shares in foreign currency terms.

**The PRC government's control of foreign currency conversion may limit our foreign exchange transactions, including dividend payments on our Shares.**

The PRC government imposes controls on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of currency out of China. We receive substantially all of our net revenue in RMB. Under our current corporate structure, our Company in the Cayman Islands relies on dividend payments, indirectly from our PRC subsidiaries, to fund any cash and financing requirements we may have. Under existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. Therefore, our PRC subsidiaries are able to pay dividends in foreign currencies to us without prior approval from SAFE by complying with certain procedures under PRC foreign exchange regulation. However, approval from, or registration with, appropriate governmental authorities is required where RMB is to be converted into foreign currency and remitted out of China to pay capital expenses, such as the repayment of loans denominated in foreign currencies.

In light of the flood of capital outflows from China in 2016 due to the weakening of RMB, the PRC government has imposed more restrictive foreign exchange policies, and stepped up scrutiny of major outbound capital movement. More restrictions and a substantial vetting process are in place by SAFE to regulate cross-border transactions falling under the capital account. The PRC government may, at its discretion, further restrict access to foreign currencies in the future for current account transactions. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our shareholders.

**Our subsidiaries in China are subject to restrictions on dividend payments, making other payments to us or any other affiliated company and borrowing or allocating tax losses among our subsidiaries.**

We are a holding company incorporated in the Cayman Islands and we conduct substantially all of our operations through our subsidiaries, including our subsidiaries in China. Current PRC regulations permit our subsidiary in China to pay dividends only out of its accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, our subsidiary in China is required to set aside at least 10% of their respective accumulated profits each year, if any, to fund certain reserve funds until such reserves have reached at least 50% of their respective registered capital. These reserves are not distributable as cash dividends. In addition, the profit available for distribution from our Chinese operating subsidiaries is determined in accordance with generally accepted accounting principles in China and the articles of association of the subsidiary. The amount of such reserves may differ from one calculated in accordance with IFRS. Furthermore, current PRC regulations restrict inter-company borrowings or allocation of tax losses among subsidiaries in China, and if our subsidiary in China incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other payments to us.

**PRC regulation of loans to, and direct investment in, PRC entities by offshore holding companies and governmental control of currency conversion may restrict or prevent us from using the proceeds of this offering to make loans or additional capital contributions to our PRC subsidiaries.**

In utilizing the proceeds of this offering, we, as an offshore company, are permitted under PRC laws and regulations to provide funding to our PRC subsidiaries, which are treated as foreign-invested enterprises under PRC laws, through loans or capital contributions. However, loans by us to our PRC subsidiaries to finance their activities cannot exceed statutory limits and must be registered with the local counterpart of SAFE and capital contributions to our PRC subsidiaries are subject to the requirement of making necessary registration or filing with competent governmental authorities in China.

SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming the Administration of Foreign Exchange Settlement of Capital of Foreign-invested Enterprises, or Circular 19, effective on June 1, 2015. According to Circular 19, the flow and use of the RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company is regulated such that



RMB capital may not be used for payment beyond the business scope of the enterprises or the payment prohibited by national laws and regulations, the issuance of RMB entrusted loans (unless permitted by the scope of business), the repayment of inter-enterprise loans or the repayment of banks loans that have been transferred to a third party. Although Circular 19 allows RMB capital converted from foreign currency-denominated registered capital of a foreign-invested enterprise to be used for equity investments within the PRC, it also reiterates the principle that RMB converted from the foreign currency-denominated capital of a foreign-invested company may not be directly or indirectly used for purposes beyond its business scope. Thus, it is unclear whether SAFE will permit such capital to be used for equity investments in the PRC in actual practice. SAFE promulgated the Notice of the State Administration of Foreign Exchange on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account, or Circular 16, effective on June 9, 2016, which reiterates some of the rules set forth in Circular 19, but changes the prohibition against using RMB capital converted from foreign currency-denominated registered capital of a foreign-invested company to issue RMB entrusted loans to a prohibition against using such capital to issue loans to non-associated enterprises. Violations of SAFE Circular 19 and Circular 16 could result in administrative penalties. Circular 19 and Circular 16 may significantly limit our ability to transfer any foreign currency we hold, including the net proceeds from this offering, to our PRC subsidiaries, which may adversely affect our liquidity and our ability to fund and expand our business in the PRC.

On October 23, 2019, SAFE promulgated the Circular of the State Administration of Foreign Exchange on Further Promoting the Facilitation of Cross-border Trade and Investment, or SAFE Circular 28, which permits non-investment foreign-invested enterprises to use their capital funds to make equity investments in China, with genuine investment projects and in compliance with effective foreign investment restrictions and other applicable laws. However, as the SAFE Circular 28 was newly issued, there are still substantial uncertainties as to its interpretation and implementations in practice.

## **RISKS RELATING TO THE BONDS, THE GUARANTEE AND THE SHARES**

### **The Bonds are unsecured obligations.**

The Bonds will constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) of the Conditions) unsecured obligations of the Issuer ranking *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the negative pledge contained in Condition 4(a) of the Conditions rank at least equally with all of its other present and future unsecured and unsubordinated obligations. The Guarantee will, similarly, constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) of the Conditions) unsecured obligations of the Guarantor and shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to the negative pledge contained in Condition 4(a) of the Conditions, rank at least equally with all of its other present and future unsecured and unsubordinated obligations. Therefore, the Bonds and the Guarantee will be unsecured obligations of the Issuer and the Guarantor, respectively. The payment obligations under the Bonds and the Guarantee may be adversely affected if:

- the Group enters into bankruptcy, liquidation, rehabilitation or other winding-up proceedings;
- there is a default in payment under the Group's future secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Group's indebtedness.

If any of the above events occurs, the Group's assets may not be sufficient to pay amounts due on the Bonds.

**The Trustee may request the Bondholders to provide an indemnity and/or security and/or pre-funding to its satisfaction.**

In certain circumstances (including, without limitation, being requested or directed by the Bondholders pursuant to Conditions 10 and 12 of the Conditions), the Trustee may request Bondholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes actions and/or steps and/or institutes proceedings on behalf of Bondholders. The Trustee shall not be obliged to take any such actions and/or steps and/or institute any such proceedings if it is not first indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding could be a lengthy process and may affect when such actions and/or steps can be taken or such proceedings may be instituted. The Trustee may not be able to take actions and/or steps and/or institute proceedings, notwithstanding the provision of an indemnity or security or pre-funding to it, in breach of the terms of the Trust Deed and in such circumstances, or where there is uncertainty or dispute as to the applicable law or regulations, to the extent permitted by the agreements and the applicable law and regulations, it would be for the Bondholders to take such actions directly.

**Bondholders will have no rights as holders of the Shares prior to conversion of the Bonds.**

Unless and until the Bondholders acquire the Shares upon conversion of the Bonds, Bondholders would have no rights with respect to the Shares, including any voting rights or rights to receive any regular dividends or other distributions with respect to the Shares. Upon conversion of the Bonds, these holders would be entitled to exercise the rights of holders of the Shares only as to actions for which the applicable record date occurs after the date of conversion.

**Securities law restrictions on the resale and conversion of the Bonds may limit Bondholders' ability to sell the Bonds in the United States.**

The Bonds and the Shares into which the Bonds are convertible have not been and will not be registered under the Securities Act, any state securities laws or the securities laws of any other jurisdiction. Unless and until they are registered, the Bonds and the Shares issuable upon conversion may not be offered, sold or resold except pursuant to an exemption from registration under the Securities Act and applicable state laws or in a transaction not subject to such laws. The Bonds are being offered and sold outside the U.S. in reliance on Regulation S under the Securities Act. Hence, future resales of the Bonds and the Shares into which the Bonds are convertible may only be made pursuant to an exemption from registration under the Securities Act and applicable state laws or in a transaction not subject to such laws.

**The Bondholders may be subject to tax on their income or gain from the Bonds.**

Prospective purchasers of the Bonds are advised to consult their own tax advisers concerning the overall tax consequences of the acquisition, ownership or disposition (including upon conversion of the Bonds) of the Bonds or the Shares. See "*Taxation*" for certain British Virgin Islands, Cayman Islands, PRC and Hong Kong tax consequences.

**Gains on the transfer of the Bonds may be subject to income tax under PRC tax laws.**

Under the Enterprise Income Tax Law of the PRC that came into effect on 1 January 2008 and amended on 24 February 2017 and 29 December 2018, respectively (the "**EIT Law**") and its implementation rules, gains on the transfer of the Bonds may be subject to income tax under PRC tax laws.

In accordance with the EIT Law and its implementation regulations, a non-resident enterprise is generally subject to enterprise income tax at a rate of 10% with respect to PRC-sourced income if it (i) does not have an establishment or place of business in the PRC or (ii) has an establishment or place of business in the PRC but its PRC-sourced income does not have a de facto relationship with such establishment or place of business in the PRC. The aforesaid income tax payable by a non-resident enterprise is subject to withholding at source. The income tax must be withheld by the withholding agent at the time of payment of the gains. This tax could be exempted or reduced in accordance with the relevant tax treaty or agreement

for avoiding double taxation. As at the date of this Offering Circular, no specific legislation or implementation rule has expressly provided whether it is required to and how to collect the tax from non-PRC resident enterprises on gains derived by them from the sale or transfer of the Bonds. It is possible that taxation authorities may formulate and promulgate specific implementation rules or relevant regulations for the collection of enterprise income tax on such gains in the future.

In addition, according to the Individual Income Tax Law of the PRC as amended on 30 June 2011 and 31 August 2018 and took effect on 1 January 2019 (the “**IIT Law**”) and the implementation regulations, non-resident individuals are generally subject to individual income tax at a rate of 20% with respect to PRC-sourced income from interest, dividends and transfer of property unless such tax is reduced or exempted under relevant double taxation treaties. Under the IIT Law, a “non-resident individual” means any non-resident PRC individual who has no domicile and does not reside in the PRC or who has no domicile and has resided in China for less than 183 days within one tax year. As at the date of this Offering Circular, no specific legislation or implementation rules have expressly provided whether it is required to and how to collect the tax from non-PRC resident individuals on the gains derived by them from the sale or transfer of the Bonds. It is possible that taxation authorities may formulate and promulgate specific implementation rules or relevant regulations for the collection of individual income tax on such gains in the future.

If a Bondholder, being a non-resident enterprise or non-resident individual, is required to pay any PRC income tax on gains on the transfer of the Bonds, the value of the relevant Bondholder’s investment in the Bonds may be materially and adversely affected. See “*Taxation – PRC*”. Any payment of interest on the Bonds would be subject to withholding at a rate of 10% for non-PRC resident enterprises and at a rate of 20% for non-PRC resident individuals.

**The market value of the Bonds may fluctuate.**

Trading prices of the Bonds are influenced by numerous factors, including the results of operations and/or financial condition and business strategy (in particular further issuance of debt or corporate events such as share sales, reorganisations, takeovers or share buybacks) of the Group and/or the subsidiaries and/or associated companies of the Group, political, economic, financial, regulatory and any other factors that can affect the capital markets, the industry, the Group and/or the subsidiaries and/or associated companies of the Group generally. Adverse economic developments in the PRC could have a material and adverse effect on the results of operations and/or the financial condition of the Group and/or the subsidiaries and/or associated companies of the Group.

In addition, the market price of the Bonds is expected to be affected by fluctuations in the market price of the Shares. There can be no certainty as to the effect, if any, that future issues or sales of Shares, or the availability of such Shares for future issue or sale, would have on the market price of the Shares prevailing from time to time and therefore on the market price of the Bonds. Disposals of Shares by shareholders or a perception in the market that such disposals could occur, may adversely affect the prevailing market price of the Shares and the Bonds.

**The return on the Bonds may decrease due to inflation.**

Bondholders may suffer erosion on the return of their investments due to inflation. Bondholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Bonds. An unexpected increase in inflation could reduce the actual returns.

**An active trading market for the Bonds may not develop.**

The Bonds are a new issue of securities for which there is currently no trading market. Application has been made to the Hong Kong Stock Exchange for the listing, and permission to deal in, the Bonds by way of debt issues to Professional Investors only. However, no assurance can be given that an active trading market for the Bonds would develop or as to the liquidity or sustainability of any such market, the ability of Bondholders to sell their Bonds or the price at which Bondholders would be able to sell their Bonds. If an active market for the Bonds fails to develop or be sustained, the trading price of the Bonds could fall.

If an active trading market were to develop, the Bonds could trade at prices that may be lower than their initial offering price. Whether or not the Bonds would trade at lower prices depends on many factors, including:

- prevailing interest rates and the markets for similar securities;
- the price of the Shares;
- the market prices of the Bonds;
- the publication of earnings estimates or other research reports and speculation in the press or the investment community;
- changes in the Group's industry and competition; and general market and economic conditions; or
- the Group's financial condition and historical financial performance and future prospects.

**The Bonds may not be a suitable investment for all investors.**

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Offering Circular;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Bonds;
- understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Bonds are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Bonds unless he/she has the expertise (either alone or with a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

**The Bonds contain provisions regarding modification and waivers, which could affect the rights of Bondholders.**

The Conditions contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority. There is a risk that the decision of the majority of holders of the Bonds may be adverse to the interest of individual holders of the Bonds.

The Conditions also provide that the Trustee may, without the consent of the holders of the Bonds, agree to any modification (other than in respect of certain reserved matters) to, or the waiver or authorisation of any breach or proposed breach of, the Conditions, the Agency Agreement and/or the Trust Deed which in the opinion of the Trustee would not be materially prejudicial to the interests of the holders of the Bonds and to any modification of the Conditions, the Agency Agreement or the Trust Deed which, in the Trustee's opinion, is of a formal, minor or technical nature or is to correct a manifest error or to comply with mandatory provisions of applicable law.

In addition, the Trustee may (but shall not be obliged to), without the consent of the Bondholders, determine any Event of Default or a Potential Event of Default (both terms as defined in the Trust Deed) should not be treated as such, **provided that** in the opinion of the Trustee, the interests of the Bondholders will not be materially prejudiced thereby.

**If the Issuer, the Guarantor or any of their respective subsidiaries is unable to comply with the restrictions and covenants in their respective debt agreements, there could be a default under the terms of these agreements, which could cause repayment of its debt to be accelerated.**

If the Issuer, the Guarantor or any of their respective subsidiaries is unable to comply with the restrictions and covenants in their respective current or future debt obligations and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend, accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. Furthermore, some of the Issuer's or the Guarantor's debt agreements, contain cross-acceleration or cross-default provisions. As a result, a default under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including the Bonds, or result in a default under the Issuer's the Guarantor's or such other subsidiary's other debt agreements. If any of these events occur, there is no assurance that the Issuer or the Guarantor would have sufficient assets and cash flow to repay in full all of its indebtedness, or that the Issuer or the Guarantor would be able to find alternative financing. Even if the Issuer or the Guarantor could obtain alternative financing, it could not guarantee that it would be on terms that are favourable or acceptable to the Issuer or the Guarantor.

**Renminbi is not freely converted into foreign currency and remitted out of China, which may limit our ability to utilise its revenue effectively and affect the value of your investment.**

We expect that a substantial majority of our future revenues will be denominated in Renminbi. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior SAFE approval as long as certain routine procedural requirements are fulfilled. Therefore, our PRC subsidiaries are allowed to pay dividends in foreign currencies to us without prior SAFE approval by following certain routine procedural requirements. However, approval from or registration with competent government authorities is required where the Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. The PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future.

**Any failure to complete the relevant filings under the NDRC Circular within the prescribed time frame following the completion of the issue of the Bonds may have adverse consequences for the Issuer, the Guarantor and/or the investors in the Bonds.**

The NDRC issued the NDRC Circular on 14 September 2015, which came into effect on the same day. According to the NDRC Circular, domestic enterprises and their overseas controlled entities shall procure the registration of any debt securities issued outside the PRC with the NDRC prior to the issue of the securities and file the particulars of the relevant issue within 10 Registration Business Days (as defined in the Conditions) after the completion of the issue of (each installment of) the securities. The Issuer has obtained the NDRC Pre-Issuance Registration Certificate with respect to the Bonds on 19 November 2020 and has undertaken to file the NDRC of the particulars of the issue of the Bonds within the prescribed time

period after the Issue Date. However, there is no clarity on the actual legal consequences of non-compliance with the post-issue filing requirement under the NDRC Circular. Failure to comply with the post-issuance filing requirement may result in the relevant entities being put on the credit blacklist in the PRC and subject them to credit-related sanctions. Potential investors in the Bonds are advised to exercise due caution when making their investment decisions.

**Exchange rate risks and exchange controls may affect an investor's returns on the Bonds.**

The Group will pay principal on the Bonds in U.S. dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the U.S. dollar or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the U.S. dollar would decrease (i) the Investor's Currency-equivalent yield on the Bonds; (ii) the Investor's Currency-equivalent value of the principal payable on the Bonds; and (iii) the Investor's Currency-equivalent market value of the Bonds. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less principal than expected, or no principal.

**Legal investment considerations may restrict certain investments.**

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent:

- the Bonds are legal investments for it;
- the Bonds can be used as collateral for various types of borrowing; and
- any other restrictions apply to its purchase or pledge of the Bonds.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

**The Issuer's ability to make payments under the Bonds depends on timely payments by the Guarantor or its subsidiaries and affiliates under the on-lent loans.**

The Issuer is an indirect wholly-owned subsidiary of the Guarantor with limited operations of its own and will on-lend the entire proceeds from the issue of the Bonds to the Guarantor or its subsidiaries and affiliates. The Issuer has limited net assets other than such loans and its ability to make payments under the Bonds depends on timely payments under such loans. In the event that the Guarantor or its subsidiaries and affiliates do not make such payments, due to the Guarantor's lack of available cash flow or other factors, the Issuer's ability to make payments under the Bonds may be adversely affected.

**The insolvency laws of the British Virgin Islands, the Cayman Islands and other local insolvency laws may differ from those of any other jurisdiction with which holders of the Bonds are familiar.**

Since the Issuer is incorporated under the laws of the British Virgin Islands and the Guarantor is incorporated under the laws of the Cayman Islands, an insolvency proceeding relating to the Issuer or the Guarantor, even if brought in other jurisdictions, would likely involve British Virgin Islands or Cayman Islands (as the case may be) insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of bankruptcy law in other jurisdictions. We conduct most of our business operations in the PRC. The laws and regulations in the PRC relating to bankruptcy and insolvency and the legal proceedings in that regard may significantly differ from those of other jurisdictions with which the holders of the Bonds are familiar. Investors should analyse the risks and uncertainties carefully before they invest in the Bonds.

### **Potential dilution of the ownership interest of existing Shareholders.**

The conversion of some or all of the Bonds will dilute the ownership interests of the existing shareholders of the Guarantor, including Mr. Sun Taoyong, the Chairman, Executive Director and Chief Executive Officer of the Guarantor, Mr. Fang Tongshu, Executive Director and Senior Vice President of the Guarantor and Mr. You Fengchun, Executive Director and Chief Executive Officer of the Guarantor. The dilution of the ownership interest of Mr. Sun Taoyong, Mr. Fang Tongshu and Mr. You Fengchun as a result of the conversion of some or all of the Bonds may result in them not being able to exercise control over the Guarantor. Any sales in the public market of the Shares issuable upon such conversion could adversely affect prevailing market prices for the Shares. In addition, the existence of the Bonds may facilitate short selling of the Shares by market participants.

### **The Group relies on dividends paid by its subsidiaries for cash needs, and limitations under PRC laws on the ability of the Group's PRC subsidiaries to distribute dividends to the Group could adversely affect the Group's ability to utilise such funds.**

As a holding company, the Guarantor relies on dividends paid by its PRC subsidiaries for the Group's cash and financing requirements, including the funds necessary to perform its payment obligations under the Bonds, to service any foreign currency debt the Group may incur and to make any offshore acquisitions. If any of the Group's PRC subsidiaries incur debt on its own behalf in the future, the loan agreements may restrict its ability to pay dividends or make other distributions to the Group. Under PRC laws and regulations, the Group's PRC subsidiaries may pay dividends only out of their respective accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, an enterprise registered in the PRC is required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund a certain statutory reserve fund, until the aggregate amount of such fund reaches 50% of its registered capital. Such reserve funds cannot be distributed to the Group as dividends. These limitations on the ability of the Group's PRC subsidiaries to transfer funds to the Group limit the Group's ability to receive and utilise such funds.

As a result of the foregoing, there is no assurance that the Guarantor will have sufficient cash flow from dividends or advances from its subsidiaries to satisfy its obligations under the Guarantee. Should the Guarantor be unable to make due payments under the terms of the Guarantee, the Bondholders would need to rely on the Trustee to take enforcement actions to recover their investment in the Bonds, the prospects of which are uncertain.

### **The Bonds and the Guarantee will be structurally subordinated to subsidiary debt.**

Payments under the Bonds and the Guarantee will be structurally subordinated to the claims of all holders of debt securities and other creditors, including trade creditors, of the Issuer's and the Guarantor's subsidiaries, and to all secured creditors of the Issuer and the Guarantor. A substantial part of the Guarantor's operations are conducted through its subsidiaries, associated companies and jointly controlled entities. Accordingly, the Guarantor is and will be dependent on the operations of its subsidiaries, associated companies and jointly controlled entities to service its indebtedness, including interest and principal on the Bonds. In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding up of the business of any subsidiary of the Issuer or the Guarantor, creditors of such subsidiary generally will have the right to be paid in full before any distribution is made to the Issuer or the Guarantor (as the case may be).

### **The liquidity and price of the Bonds following the offering may be volatile.**

The price and trading volume of the Bonds may be highly volatile. Factors such as variations in our revenue, earnings and cash flows, proposals for new investments, strategic alliances and/or acquisitions, changes in interest rates, fluctuations in price for comparable companies, government regulations and changes thereof applicable to its industry and general economic conditions nationally or internationally could cause the price of the Bonds to change. Any such developments may result in large and sudden changes in the trading volume and price of the Bonds. There is no assurance that these developments will not occur in the future.

### **The Issuer and the Guarantor may not have the ability to redeem the Bonds.**

Bondholders may require the Issuer, subject to certain conditions, to redeem for cash some or all of their Bonds at the option of the Bondholders upon a Relevant Event as described under “*Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Redemption for Delisting or Change of Control*” or on the Put Option Date as described under “*Terms and Conditions of the Bonds – Redemption, Purchase and Cancellation – Redemption at the Option of the Bondholders*”. The Issuer or the Guarantor (whom will be required to make payments pursuant to the Guarantee) may not have sufficient funds or other financial resources to make the required redemption in cash at such time or the ability to arrange necessary financing on acceptable terms, or at all. The Issuer’s or the Guarantor’s ability to redeem the Bonds in such event may also be limited by the terms of other debt instruments. Failure to repay, repurchase or redeem tendered Bonds by the Issuer or the Guarantor would constitute an event of default under the Bonds, which may also constitute a default under the terms of other indebtedness held by the Issuer or the Guarantor.

### **The Bonds may be early redeemed at the Issuer’s option.**

The Issuer may, on giving not less than 30 nor more than 60 days’ notice to the Bondholders, the Trustee and the Principal Agent, redeem the Bonds in whole, but not in part at the Early Redemption Amount: (i) at any time after 21 June 2024, **provided that** the Closing Price of a Share (translated into U.S. dollars at the Prevailing Rate), for each of 20 out of 30 consecutive Trading Days, the last of which occurs not more than five Trading Days prior to the date upon which notice of such redemption is published, was at least 130 per cent. of the applicable Early Redemption Amount for each Bond divided by the Conversion Ratio then applicable; or (ii), at any time if, prior to the date of such notice, Conversion Rights shall have been exercised and/or purchases (and corresponding cancellations) and/or redemptions shall have been effected in respect of 90 per cent. or more in aggregate principal amount of the Bonds originally issued. In addition, the Bonds may be redeemed at the option of the Issuer in whole and not in part, on giving not less than 30 days’ nor more than 60 days’ notice to the Bondholders, the Trustee and the Principal Agents, at the Early Redemption Amount, if the Issuer (or if the Guarantee was called, the Guarantor) has or will become obliged to pay Additional Tax Amounts as a result of certain events set out in the Conditions and such obligation cannot be avoided by the Issuer (or as the case may be, the Guarantor) taking reasonable measures available to it. As a result, the trading price of the Bonds may be affected when any redemption option of the Issuer becomes exercisable. Accordingly, Bondholders may not be able to sell their Bonds at an attractive price, thereby having a material adverse effect on the trading price and liquidity of the Bonds.

### **Bondholders have limited anti-dilution protection.**

The Conversion Price will be adjusted in the event that there is a sub-division, consolidation or re-denomination, rights issues, bonus issue, reorganisation, capital distribution or other adjustment including an offer or scheme which affects Shares, but only in the circumstances and only to the extent provided in “*Terms and Conditions of the Bonds – Conversion*”. There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Shares. Events in respect of which no adjustment is made may adversely affect the value of the Shares and, therefore, adversely affect the value of the Bonds.

### **Short selling of the Shares by Bondholders could materially and adversely affect the market price of the Shares.**

The issuance of the Bonds may result in downward pressure on the market price of the Shares. Investors in convertible securities may seek to hedge their exposure in the underlying equity securities, often through short selling of the underlying equity securities or similar transactions. Any short selling and similar hedging activity could place significant downward pressure on the market price of the Shares, thereby having a material adverse effect on the market value of the Shares owned by an investor as well as on the trading price of the Bonds.



**Future issuances of Shares or equity-related securities may depress the trading price of the Shares.**

Any issuance of the Guarantor's equity securities after this offering could dilute the interest of the existing shareholders and could substantially decrease the trading price of the Shares. The Guarantor may issue equity securities in the future for a number of reasons, including to finance its operations and business strategy (including in connection with acquisitions, strategic collaborations or other transactions), to adjust its ratio of debt-to-equity, to satisfy its obligations upon the exercise of outstanding warrants, options or other convertible bonds or for other reasons. Sales of a substantial number of Shares or other equity-related securities in the public market (or the perception that such sales may occur) could depress the market price of the Shares. The Guarantor cannot predict the effect that future sales of the Shares or other equity-related securities would have on the market price of the Shares. In addition, the price of the Shares could be affected by possible sales of the Shares by investors who view the Bonds as a more attractive means of obtaining equity participation in the Guarantor and by hedging or engaging in arbitrage trading activity involving the Bonds.

**There may be less publicly available information about the Guarantor than is available for public companies in certain other jurisdictions.**

There may be less publicly available information about companies listed in Hong Kong, such as the Guarantor, than is regularly made available by public companies in certain other countries. In addition, our financial information in this Offering Circular has been prepared in accordance with HKFRS which differ in certain respects from generally accepted accounting principles ("GAAPs") in certain jurisdictions which might be material to the financial information contained in this Offering Circular. In making an investment decision, investors must rely upon their own examination of us, the terms of the offering and our financial information, and should consult their own professional advisers for an understanding of the differences between HKFRS and the GAAPs in their home jurisdictions and how those differences might affect the financial information contained in this Offering Circular.

**The Bonds will initially be represented by the Global Certificate and holders of a beneficial interest in the Global Certificate must rely on the procedures of the relevant Clearing System.**

The Bonds will initially be represented by the Global Certificate. Such Global Certificate will be deposited with a common depository for Euroclear and Clearstream (each of Euroclear and Clearstream, a "**Clearing System**"). Except in the circumstances described in the Global Certificate, investors will not be entitled to receive definitive Bonds. The relevant Clearing System will maintain records of the beneficial interests in the Global Certificate. While the Bonds are represented by the Global Certificate, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Bonds are represented by the Global Certificate, the Issuer will discharge its payment obligations under the Bonds by making payments to the common depository for Euroclear and Clearstream, for distribution to their account holders. A holder of a beneficial interest in the Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

## **USE OF PROCEEDS**

We estimate that the net proceeds from this offering, after deducting the Managers' commissions and other estimated expenses payable in connection with this offering, will be approximately U.S.\$293.9 million.

The Issuer intends to use the net proceeds from this offering for improving the Group's comprehensive research and development capabilities, upgrading the Group's marketing system, supplementing working capital and general corporate purposes.

## CAPITALISATION AND INDEBTEDNESS

The following table sets forth on an actual basis the Guarantor's borrowings and capitalisation as at 31 December 2020 and as adjusted to give effect to the issuance of the Bonds in this offering before deducting the Managers' commissions and other estimated expenses payable by the Guarantor in connection with this offering. The table should be read in conjunction with the financial statements and the accompanying notes included elsewhere or incorporated by reference in this Offering Circular.

	As at 31 December 2020			
	Actual		As Adjusted	
	RMB	US\$ <sup>(1)</sup>	RMB	US\$ <sup>(1)</sup>
	<i>(in millions)</i>			
<b>Long-term borrowings</b>				
Interest-bearing bank and other borrowings . . . . .	40.0	6.1	40.0	6.1
<b>Equity</b>				
Share capital . . . . .	1.5	0.2	1.5	0.2
Treasury shares . . . . .	–	–	–	–
Shares held for RSU scheme . . . . .	(15.8)	(2.4)	(15.8)	(2.4)
Share premium . . . . .	4,278.8	655.8	4,278.8	655.8
Other reserves . . . . .	(1,106.3)	(169.5)	(1,106.3)	(169.5)
Accumulated losses . . . . .	(2,110.2)	(323.4)	(2,110.2)	(323.4)
Non-controlling interests . . . . .	204.5	31.3	204.5	31.3
<b>Total equity</b> . . . . .	1,252.5	192.0	1,252.5	192.0
<b>Bonds to be issued</b> . . . . .	–	–	1,957.5	300.0
<b>Total capitalisation</b> <sup>(3)</sup> . . . . .	1,292.5	198.1	3,250.0	498.1

(1) Amounts in Renminbi have been translated into U.S. dollars for convenience only at the rates of RMB6.5250 to U.S.\$1.0, the exchange rate set forth in the H.10 statistical release of the Federal Reserve Board on 31 December 2020.

(2) For the purpose of this capitalisation table and illustration purpose, the amount of Bonds to be issued equal to gross proceeds and did not take into consideration of the accounting implications under Hong Kong Accounting Standard 32 "Financial Instruments: Presentation".

(3) Total capitalisation equals long-term borrowings plus total equity and Bond to be issued.

Except as otherwise disclosed herein, there has been no material change in the Guarantor's capitalisation and indebtedness since 31 December 2020.

## DESCRIPTION OF THE ISSUER

### HISTORY

The Issuer was incorporated with limited liability under the laws of the British Virgin Islands on 6 March 2020. The registered office of the Issuer is Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands.

The Issuer is an indirect wholly-owned subsidiary of the Company and has no subsidiaries.

### BUSINESS ACTIVITY

The Issuer was incorporated pursuant to the objects and powers set out in its memorandum of association. The Issuer has not engaged, since its incorporation, in any material activities other than those relating to the proposed issue of the Bonds, the issue of the U.S.\$150,000,000 in aggregate principal amount of 1.50 per cent. guaranteed convertible bonds due 2025 on 15 May 2020 and the on-lending of the proceeds thereof to the Company and/or the Group, and the authorisation of documents and agreements referred to in this Offering Circular to which it is or will be a party.

### FINANCIAL STATEMENTS

Under British Virgin Islands law, the Issuer is not required to publish interim or annual financial statements. The Issuer has not published, and does not propose to publish, any financial statements in the future. The Issuer is, however, required to keep proper books of account as it is necessary to give a true and fair view of the state of the Issuer's affairs and to explain its transactions.

### DIRECTORS AND OFFICERS

The director of the Issuer as at the date of this Offering Circular is Mr. Sun Taoyong, who is also the chairman of the Company. The business address of the director is Weimeng Building, No. 258 Changjiang Road, Baoshan District, Shanghai, China. The Issuer has no employees.

### SHARE CAPITAL

The Issuer is authorised to issue a maximum of 50,000 shares of no par value, and all 50,000 shares of no par value have been issued as fully paid. The register of members of the Issuer is maintained at its registered office in the British Virgin Islands at Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands. No part of the equity securities of the Issuer is listed or dealt on any stock exchange and no listing or permission to deal in such securities is being or is proposed to be sought.

As at the date of this Offering Circular, the Issuer does not have any debt outstanding.

## DESCRIPTION OF OUR BUSINESS

### OVERVIEW

We are a leading provider of cloud-based commerce and marketing solutions and targeted marketing services on Tencent’s social networking service platforms for merchants in China in terms of revenue. Our business segments are divided into Digital Commerce and Digital Media. Our Digital Commerce business comprises of Subscription Solutions and Merchant Solutions. We enable merchants to carry out private domain traffic management through SaaS and other software in our Subscription Solutions. In the meantime, we help merchants obtain public domain traffic through value-added services in our Merchant Solutions, thus supporting them to achieve digital upgrade with full-chain services and operations. Specifically, through our Subscription Solutions, we offer a variety of intelligent business solutions tailored for industry verticals, primarily software as a service (“SaaS”) products offering. Through our Merchant Solutions, we mainly offer value-added services to existing and potential merchants of our Subscription Solutions, primarily targeted marketing services, as part of the integral solutions to help merchants obtain public domain traffic and further expand their business scale and monetization capabilities. In terms of Digital Media, capitalizing on our advantages of media resources and past placement experience, we deliver our advertisement placement services to certain merchants in which specified results or actions are committed by purchasing media platform traffic. We provide our Digital Commerce and Digital Media services primarily through China’s leading social media platform, WeChat, where we are also a large third-party service provider for SMBs in terms of revenue and number of paying merchants as measured by revenue.

In terms of our Subscription Solutions, we launched our first SaaS product in 2013. Merchants use our SaaS products to build personalised storefronts on social media platforms and manage their mission-critical digital commerce operations, including product display, order intake and payment processing, customer relationship management, and social media marketing. Our SaaS products are categorised into three cloud service offerings, namely our Commerce Cloud, Marketing Cloud, and Sales Cloud, each designed with its own sets of functionalities and features to meet merchants’ specific business needs. Commerce Cloud products enable merchants to establish integrated online and offline digital operations and empower them to drive increased engagement, conversion, revenue, and loyalty from their customers. Marketing Cloud products offer merchants digital tools to precisely target audiences and optimise online marketing activities, including advertisement creation and budget allocation. Sales Cloud products help merchants improve their customer acquisition capabilities and achieve higher sales efficiently.

In October 2017, we launched Weimob Cloud platform, a platform as a service, or PaaS. With our Weimob Cloud platform, third-party developers can design, build, and implement enterprise-grade custom applications. Third-party developers are not only able to integrate our storefronts, products, transactions, payment, marketing, membership, and logistics modules into their applications but can also connect to hundreds of plug-ins from our Weimob Services Market, an application store, to enrich their application offerings.

Under our Merchant Solutions and Digital Media services, we began our targeted marketing business in 2016, through which we provide a one-stop mobile social marketing solution that is convenient, affordable, and efficient, enabling advertisers to optimise their marketing efforts and achieve their brand promotion or targeted marketing goals. Our proprietary data management platform (DMP) integrated with analytics and optimisation technology supports precise marketing for advertisers to more accurately identify audiences who are likely to have an interest in their brands or become paying customers. It also enables advertisers to conveniently choose media resources, create social promotion plans, and utilise other powerful tools for marketing and promotion. Further our cooperation with high-quality media resources enables our advertisers’ marketing campaigns to reach a large audience base. Our premium media resources mainly include major social media platforms and other high-traffic channels such as WeChat Moments, WeChat Official Account, QQ, QZone, Baidu, Zhihu and TouTiao.com.

We have a longstanding relationship with Tencent, who is our strategic partner and investor. We are the pioneering third-party service provider on WeChat. Our leading position in the WeChat-based third-party service market and our collaborative relationship with Tencent enable us to capture the future growth potential of mobile social commerce via WeChat, and in particular, WeChat Mini Programs. Furthermore, we have established good cooperation with Tencent Smart Retail (騰訊智慧零售) in 2019 in customer acquisition, product research and development, and operational services, and have been recognised as an official partner of Tencent Smart Retail. We have jointly launched with Tencent the “Tencent – Weimob Plan” (“騰盟計劃”) to empower DTC (Direct to Customer) e-commerce and have established the first regional marketing service centre authorised by Tencent at Shanghai headquarter of Weimob.

Our sales network consists of our own direct sales team stationed in tier-1 and other strategic cities in China as well as a nationwide network of local channel partners. We had an offline network of channel partners covering all provinces, municipalities and autonomous regions in the PRC, allowing us to establish close localised business relationships with our clients. Our strong relationships with our channel partners are demonstrated by their relatively low attrition rates. Our sales channels allow cost-effective conversion of the merchants for our SaaS products into advertisers of our targeted marketing and *vice versa*, which enables us to lower our client acquisition costs compared to acquiring new clients separately. We also provide training as well as technical, marketing, and customer service support to our channel partners to better serve our merchants and advertisers.

We have a large and rapidly growing client base. We have a large registered merchants base for our SaaS products and targeted marketing, providing us with a large potential client base that we can monetise on a recurring basis. Our large and growing client base has provided us with a vast library of big data that we can leverage to better understand client needs and further refine our product and service offerings to improve customer experience.

We have experienced significant growth. Our total revenue increased from RMB865.0 million in 2018 to RMB1,436.8 million in 2019, and further to RMB1,968.8 million in 2020, representing a CAGR of 50.9%. Our gross profit increased from RMB517.6 million in 2018 to RMB797.1 million in 2019, and further to RMB1,002.6 million in 2020, representing a CAGR of 39.2%.

## **OUR STRENGTHS**

We believe the following competitive advantages have contributed to our success and will help drive our growth in the future:

### **China’s large third-party service provider for SMBs in the WeChat ecosystem**

We are a large WeChat-based third-party service provider for SMBs in China as measured by revenue and number of paying merchants. We are also a leading targeted marketing provider for SMBs on Tencent’s social networking service platforms, including WeChat and QQ, as measured by gross billing. We have been awarded with the Best Service Provider in Regional and Industry Channels of Tencent Social Advertising in 2018, the Official Partner of Tencent Smart Retail in 2019 and the Best Partner for Regional and Medium to Long Tail Channels in 2019 and in 2020 of Tencent Ads.

We have a longstanding relationship with Tencent, who is our strategic partner and investor. Our leading position in third-party services in the WeChat ecosystem and close relationship with Tencent enable us to capture the future growth potential of WeChat and WeChat Mini Program. We collaborate closely with Tencent on big data analysis and targeted marketing, which allows us to offer precision-targeted marketing to enhance our advertisers’ audience reach and marketing efficiency as well as capitalise on the rapidly growing mobile marketing market on Tencent social media platforms.

## **China's leading cloud-based commerce and marketing solutions provider for SMBs**

We are a leading cloud-based commerce and marketing solutions provider for SMBs in China as measured by revenue. Most of the SMBs in China operate offline and do not have sophisticated customer relationship management and online marketing capabilities. However, the emergence of new retail, improvements in mobile technologies, and the rapid growth of social media platforms are driving demand for cost-effective, easy-to-use cloud-based commerce and marketing solutions that help SMBs reach more consumers and operate more efficiently. We have successfully capitalised on the rapid growth of SMBs and their associated demand for cloud-based commerce and marketing solutions.

## **Decentralised, intelligent business solutions empowering SMBs to digitise their operations**

Our platform disrupts and decentralises the traditional third-party e-commerce marketplace model. Through our Subscription Solutions, we allow SMBs to directly connect and communicate with their customers and enable them to manage and optimise their businesses through multiple online and offline channels. This way, we return control back to the merchants by giving them ownership of their own customer traffic and data and enabling the merchants to have a closer connection to their customers.

We offer a wide array of intelligent business solutions that can be applied to various usage scenarios. Our Subscription Solutions, as the core of our business model, innovative and comprehensive functionalities including digital storefront buildup, omni-channel marketing, customer relationship management and business reporting, allowing our merchants to enhance operating efficiency and profitability. Our SaaS products are tailored across various industry verticals, including e-commerce, retail, restaurant, travel, hospitality, and beauty, attracting a diversified merchant base. Our Merchant Solutions and Digital Media services, both focusing on targeted marketing services, further unlock the value of traffic acquisition for the merchants, which is an important driver of our monetisation and profitability. We have strategically developed competencies in software development, digital marketing and big data analytics, creating a synergistic one-stop business solution that empowers our clients to conduct business more intelligently in the era of new retail.

## **Large and monetizable client base**

We have a large base of registered merchants for our Digital Commerce and Digital Media, which provides us with a large potential client base from which we can monetise on a recurring basis. We have expanded our client base for both our Digital Commerce and Digital Media. The number of paying merchants for Subscription Solutions of our Digital Commerce increased significantly and was 64,695, 79,546 and 98,002 as at 31 December 2018, 2019 and 2020, respectively. Our ARPU of Subscription Solutions had also increased, amounting to RMB5,365, RMB6,373 and RMB7,326 in 2018, 2019, and 2020, respectively. The number of paying merchants for Merchant Solutions of our Digital Commerce increased from 27,674 in 2018 to 32,458 in 2019, and further to 45,698 in 2020. Our ARPU of Merchant Solutions amounted to RMB7,280, RMB11,043, RMB11,560 in 2018, 2019 and 2020, respectively. As to our Digital Media business, the number of advertisers was 915, 1,684 and 2,504 as at 31 December 2018, 2019 and 2020, respectively. Our large and growing client base has provided us with a vast library of big data that we can leverage to better understand client needs and further refine our product and service offerings to improve customer experience.

## **Extensive nationwide sales network**

Our sales channels consist of our own direct sales team stationed in tier-1 and other strategic cities as well as a nationwide network of local channel partners. We have an offline network of channel partners covering all provinces, municipalities and autonomous regions in the PRC, allowing us to establish close localised business relationships with our clients. Our strong relationships with our channel partners are demonstrated by their low attrition rates. Our sales channels allow cost-effective conversion of our merchants for Subscription Solutions into advertisers for targeted marketing and *vice versa*, which enables us to lower our client acquisition costs compared to acquiring new clients separately. Furthermore, we have channel partners who are both our Digital Commerce and Digital Media channel partners. Such channel partners can cross-market our Digital Commerce and Digital Media to existing advertisers or merchants, or *vice versa*, without incurring material costs. We also provide continuous training as well as technical, marketing, and customer service support to our channel partners to better serve our clients.

## **Continuous technology innovation powered by strong research and development capability**

We are a technology forerunner and continuous innovator. Since 2015, we have broadened our SaaS product offerings from WeChat Official Account marketing services to WeChat Mini Program-based marketing solutions, and further to SaaS products tailored for various industry verticals. We have been continuously updating our SaaS products since the launch of our very first solution. For example, in October 2017, we launched Weimob Cloud platform, a PaaS, designed for third-party developers to create more and better applications for merchants. We launched Sales Pusher (“銷售推”) in June 2018, Smart Hotel (“智慧酒店”) in July 2018, Smart Retail (“智慧零售”) in August 2018, and Smart Traveling (“智慧旅遊”) in October 2018. We launched Smart Marketing (“智營銷”) as well as Zhiketui (“直客推”) in 2019. In 2020, we launched Weimob Live (“微盟直播”), a live-streaming platform based on WeChat Mini Program. Our proven track record of product innovation and expansion stems from our strong research and development capability led by a dedicated team of in-house developers and engineers.

In addition, by leveraging our years of experience serving SMBs through Digital Commerce and Digital Media, we have accumulated substantial amounts of consumer and merchant behavioural data that, when integrated with our data analytics, can enhance our various data applications, including targeted marketing, risk management, and personalised recommendations. We also invest heavily in talent by recruiting, retaining, and training best-in-class engineering specialists and data scientists to further enhance our technology advantage.

## **Innovative and entrepreneurial management team**

Our founders are passionate trailblazers who have led the digital transformation of SMBs in China in recent years, pioneering easy-to-use and cost-effective intelligent business solutions that can be easily implemented via the WeChat ecosystem. Under the leadership of our founders and our management team, our products and services disrupted traditional online marketplaces and effectively shaped the decentralised social media-enabled e-commerce model where SMBs could establish their brand ownership and manage critical operations on leading social media platforms in China. Mr. Sun, our founder and Chief Executive Officer, is a highly decorated technology entrepreneur with various industry awards, including 2017 Forbes Asia 30 under 30, Fast Company China’s 100 Most Creative People in Business, and National Champion of the first season of “I am the Founder”, a competitive reality TV show for technology entrepreneurs held by Tencent and Zhejiang Satellite TV. Our three co-founders and management team possess complementary skill sets across Internet technology, software development, digital marketing management and strategic investments.

## **OUR STRATEGIES**

To achieve our mission and further solidify our market leadership, we intend to pursue the following strategies:

### **Strengthening and extending our Marketing Cloud and Sales Cloud offerings**

We will leverage our market leadership in Commerce Cloud offerings to expand our Marketing Cloud and Sales Cloud offerings. With respect to our Marketing Cloud offerings, we will develop more customised tools to enable merchants to optimise marketing campaigns and realise better marketing performance. With respect to our Sales Cloud offerings, we will accelerate the market expansion of products, such as Xiaoke. With our Sales Cloud offerings, our merchants’ sales teams can maximise their sales and marketing capabilities and achieve higher sales efficiently. By integrating our Marketing Cloud and Sales Cloud with Commerce Cloud offerings, we are able to provide our clients with a more comprehensive view of their customers and cross sell our cloud offerings. We will continue to enhance our research and development on new cloud service offerings to better serve our clients.



## **Expanding into new industry verticals**

We plan to leverage our success and experience in existing verticals to expand into new ones. We plan to continue to tailor our Digital Commerce and Digital Media to provide relevant products to merchants in industry verticals with traditionally low digital penetration. New industry verticals we will focus on include, but are not limited to, retail, catering, hotel and hospitality, travel and lifestyle, education, home furnishing, automobile and the beauty industry. In 2018, we launched Smart Hotel, Smart Retail and Smart Traveling. We believe we are able to increase our revenue and improve our results of operations by successfully entering new industry verticals.

## **Increasing monetisation of our client base**

We aim to increase monetisation of our Digital Commerce and Digital Media mainly through cross-marketing and cross-selling among different products and services. We plan to increase conversion of merchants who use our free SaaS products into paying merchants and upsell to existing merchants. We also plan to use the data accumulated on our cloud-based commerce and marketing platform to provide creative fintech services to our clients. Specifically, through big data computing technology, we plan to build merchant profiles and make reasonable predictions about the merchants' next stage of business by analysing merchants' online store traffic data, visitor data, product data, marketing activity data, transaction data, etc. When merchants need financing to grow business, we plan to use such data and big data computing technology to build a risk control model and conduct an effective evaluation for merchants to choose suitable financing channels and products.

Furthermore, we will increase the monetisation of our Weimob Cloud platform and Weimob Services Market. Third-party developers are key to our Weimob Cloud platform. We plan to attract third-party developers by (i) enhancing the technology capabilities of our Weimob Cloud platform and broadening its technology influence, (ii) optimising our Weimob Services Market and attracting merchants to use the applications developed by third-party developers, and (iii) enhancing our marketing effort to attract third-party developers as well as providing them with professional technical support. As at 31 December 2020, we had not generated any revenue in relation to our Weimob Cloud platform and Weimob Services Market. We currently do not share in the revenue of third-party developers generated from applications developed by them and distributed through our Weimob Services Market, or collect fees from users who purchase these applications. In anticipation of a more established Weimob Cloud platform and Weimob Services Market in the future, we may monetise such ecosystem by sharing a portion of the revenue of third-party developers generated from applications developed by them distributed through our platform.

## **Deepening collaboration with Tencent and other decentralised mobile platforms**

We will promote data sharing and big data analysis with Tencent to deepen our integration with Tencent's social networking ecosystem and work with Tencent to optimise our advertisers' targeted marketing strategies by better identifying and engaging their desired customers and improving conversion rates. We and Tencent would cooperate through sharing data label interface and joint big data analysis. Specifically, Tencent would open to us, as cooperative service provider, a series of data labeling interfaces covering customer identification, customer attraction, and customer conversion. Based on these labels, we can build a more comprehensive view of the data to further optimise the performance and effectiveness of targeted marketing and customer conversion for merchants. Furthermore, in the area of big data analytics, we will work with Tencent to jointly analyse and build a data model by jointly building data marts and sharing algorithm capabilities. Based on the complementarity of the data from both parties, we can carry out more in-depth data analysis and mining, and output more accurate and comprehensive user profiling and merchant profiling to further enhance the effectiveness of targeted marketing.

We will also strengthen existing cooperation and develop new relationships with other leading decentralised mobile platforms in China. Through these platforms, we can broaden the audience reach for our advertisers, allowing them to source and identify the most cost-effective advertisement placements, and satisfying their multi-channel marketing needs, while allowing them to retain control of their customer data. For example, we have placed targeted marketing with the mobile platforms of Baidu and Zhihu.

## **Enhancing our ecosystem through our Weimob Cloud platform**

We will encourage application development by third-party developers on our Weimob Cloud platform to broaden our offerings to our clients and enrich our Weimob ecosystem. We will continue to release new marketing and sales tools and services from third-party developers that complement our core service offerings. We will continue to enhance the attractiveness of our Weimob Cloud platform by providing third-party developers with a rich set of APIs and plug-ins and more cooperation methods to connect developers with merchants. We will also continue to develop additional cloud service offerings to accommodate the ever-evolving needs of our clients and third-party developers.

## **Growing and enhancing our sales channels**

We will continue to expand our direct sales force as well as our local channel partners across China with the goal of expanding our overall client base. We will also encourage the cross-selling between Digital Commerce and Digital Media by enhancing the sales and marketing expertise of our direct sales force and channel partners. We will consider entering into underpenetrated industry verticals and increase our market share in the cities we have already covered. We will engage more localised channel partners with in-depth expertise and strong merchant relationships in different industry verticals. We will also provide more comprehensive and systematic training to our channel partners so that they can competently explain to potential clients how our products and services can help them establish an online presence, manage customer relationships across channels, and, in turn, improve overall business operations.

## **Exploring strategic partnerships and acquisition opportunities**

We promote a culture of innovation and cooperation with a focus on maximising long-term value. We will continue to selectively pursue strategic cooperation, investments and acquisitions that we believe can expand our products offerings, allow us to enter new industry verticals, strengthen our technological and research and development capabilities. We will also consider investing in other mobile or digital sectors that are complementary to our current businesses. In selecting investment targets or partners, we generally consider the following factors: suitability with our strategic planning, degree of potential synergies, market position, management team experience, valuation, historical operating metrics, and financial performance.

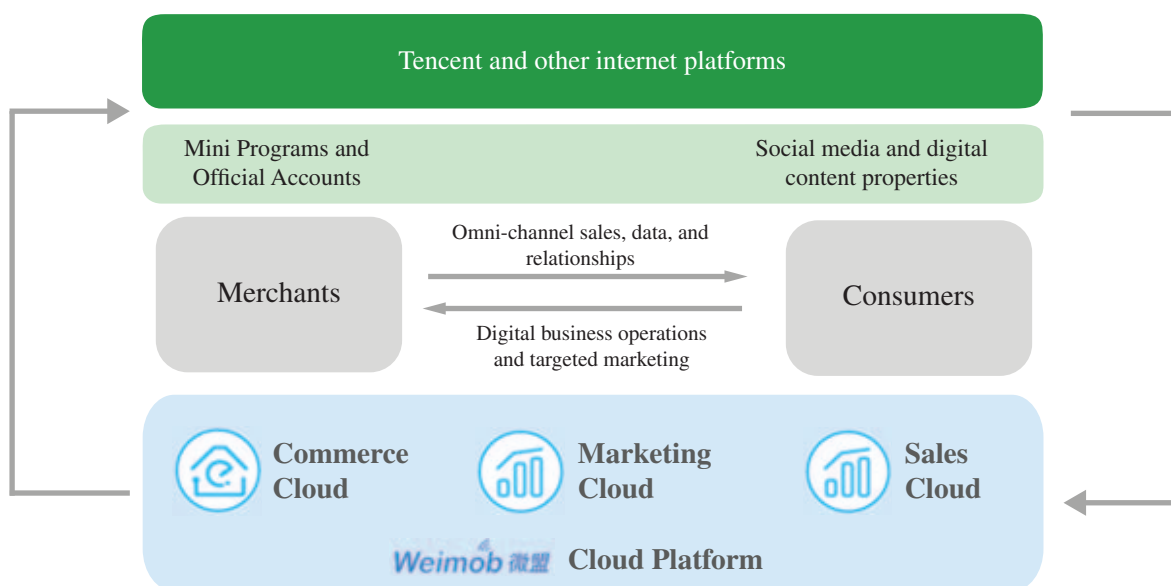
## **OUR ECOSYSTEM AND ITS PARTICIPANTS**

Our cloud-based commerce and marketing service platform forms part of a vibrant ecosystem connecting our merchants, consumers, and social media platforms. Our Weimob ecosystem is integrated into Tencent's ecosystem as we primarily deliver our Digital Commerce and Digital Media through the WeChat platform.

The following are key participants benefiting from our ecosystem.

- **Merchants.** Our products and services are mainly designed for SMBs. We offer merchants a comprehensive suite of easy-to-use digital tools to conduct their business, improve operational efficiency, and manage customer relationships online and offline.
- **Consumers.** Consumers can use our WeChat Mini Program-based product in WeChat without downloading separate applications or software.
- **Social media platforms.** We currently collaborate with Tencent and other social media platforms to provide Digital Commerce and Digital Media. We primarily deliver our SaaS products on WeChat in the form of WeChat Mini Programs and WeChat Official Accounts. Our targeted marketing is primarily delivered on Tencent's social media platforms such as WeChat Moments and QQ. We also collaborate with other media publishers to deliver our targeted marketing, including Baidu and Zhihu.

The following diagram illustrates the network effects and interaction between participants within our ecosystem.



## OUR PRODUCT AND SERVICE OFFERINGS

For the years ended 31 December 2018, 2019 and 2020, we generated revenue primarily from providing Digital Commerce and Digital Media services to merchants and advertisers. The following table sets forth our revenue by business segments for the periods indicated:

	Year ended 31 December						
	2018 <sup>(1)</sup>		2019		2020		
	(unaudited)						
	Amount	%	Amount	%	Amount per financial statement	Amount excluding SaaS sabotage event	%
<i>(RMB in millions except %)</i>							
<b>Digital Commerce</b> . . . . .	548.6	63.4	865.4	60.2	1,150.7	1,246.2	60.4
– Subscription Solutions . . . . .	347.1	40.1	507.0	35.3	622.4	717.9	34.8
– Merchants Solutions . . . . .	201.5	23.3	358.4	24.9	528.3	528.3	25.6
<b>Digital Media</b> . . . . .	316.5	36.6	571.4	39.8	818.2	818.2	39.6
<b>Total</b> . . . . .	865.0	100.0	1,436.8	100.0	1,968.8	2,064.4	100.0

Note:

- (1) Since late 2020, we restructured our operating segments. Our previous reporting segments, namely “SaaS products” and “targeted marketing services” were reorganized to “Subscription Solutions” and “Merchant Solutions” (together with Subscription Solutions, collectively referred to as Digital Commerce) as the core, and “Digital Media” as the supplement. The breakdown of our revenue by restructured segment for the years ended 31 December 2019 and 2020 were extracted from our Company’s annual report for the year ended 31 December 2020. The breakdown of our revenue by restructured segment for the year ended 31 December 2018 was restated based on the financial data disclosed in our Company’s annual report for the same period: the revenue from Subscription Solutions represents the revenue from SaaS products; the revenue from the Merchants Solutions represents the net rebate earned from advertising platforms by providing services to enable merchants to acquire online customer traffic, namely the net revenue from advertisers for targeted marketing services recognized using net method; the revenue from Digital Media represents the net revenue from advertisers for targeted marketing services recognized using gross method. For relevant risk factors, see “Risk Factors – Risks Relating to Our Business and Industry – We have realigned our business segments in late 2020. For comparison purpose, we restated our operating and financial information by segment for the year ended 31 December 2019 in our annual report for the year ended 31 December 2020 to conform with the new presentation. Such restructuring of segments may render the historical operating and financial information as at and for the year ended 31 December 2018 not directly comparable with their respective operating and financial information after 1 January 2019”.

**Digital Commerce**

Our Digital Commerce business empowers merchants to operate private domain traffic through SaaS products and other software of Subscription Solutions, and in the meantime helps merchants obtain public domain traffic through value-added services under Merchant Solutions, thus supporting them to achieve digital upgrade with full-chain services and operations.

**Subscription Solutions**

Through our Subscription Solutions, we offer a variety of intelligent business solutions tailored for industry verticals, primarily SaaS products offering. Our SaaS products are primarily categorised into three cloud service offerings, namely our Commerce Cloud, Marketing Cloud, and Sales Cloud, all built on top of our Weimob Cloud platform.



**Benefits of Our Subscription Solutions**

SMBs under the traditional retail model face significant challenges in the new retail era, some of which include difficulties in expanding online, lack of cost-effective customer acquisition channels, inefficient processes to track customers and analyse their data, and lack of digital business productivity tools. Through our platform, we provide cloud-based Subscription Solutions designed for SMBs by offering the following:

- **A comprehensive commerce and marketing management system.** Merchants are able to use our services to build up their social networking storefronts and manage their mission-critical operations, including product display, order intake, payment processing, customer relationship management, and social media marketing, allowing a closed transaction loop spanning customer acquisition, conversion, repeat purchases, and word-of-mouth expansion.
- **Marketing tools designed for WeChat ecosystem.** We have fully explored features of the social networking ecosystem on WeChat and developed marketing tools based on WeChat’s characteristics of sharing, social networking, trust, and reputation to help our merchants master social network marketing. Our marketing tools include group buying, bargaining, live broadcasting, distribution, and referral gifts.
- **Advanced data analytics.** Through our multi-dimensional data capture and real-time reporting, our data analytics can help advertisers efficiently target and acquire consumers, monitor the performance of their marketing campaigns, as well as improve the effectiveness of their marketing effort.

As at the date of this Offering Circular, we had ten Commerce Cloud solutions, three Marketing Cloud solutions, and one Sales Cloud solution. In addition, we provide several basic and free trials of our solutions and services to attract new merchants.

## *Commerce Cloud*

The following describes our major Commerce Cloud products in detail:

### *Wei Mall (微商城)*

Available in the form of WeChat Mini Programs or WeChat Official Accounts, our Wei Mall helps merchants build a comprehensive e-commerce sales system to capitalise on WeChat's user traffic and increase sales efficiently. Merchants who have used our Wei Mall represent a wide array of industries, including fashion, food, cosmetics, digital products, home appliances, and books, among others. Merchants can quickly register and log into the intuitive interface of our Wei Mall web-based dashboard which is integrated with a variety of functionalities and features, primarily including integrated storefront builder, marketing and promotional plug-ins, social customer resource management (SCRM), and data-driven analytics and reporting.

### *Smart Retail (智慧零售)*

Smart Retail is a solution designed for offline retail merchants to help them integrate online and offline operations and become intelligent businesses by providing multiple functions to manage products and orders, inventories, payment, customers, marketing and data. We released Smart Retail in September 2018. The key functionalities we offer through Smart Retail include online store management, invoice management, shopping guide system, online appointment and SCRM.

### *Ke Lai Dian (客來店)*

Ke Lai Dian is a comprehensive WeChat-based solution designed for merchants in local lifestyle service industries with offline brick-and-mortar stores. This solution consists of a series of functionalities such as store management, membership management, digital marketing, and online reservation and booking, all of which help merchants seamlessly integrate their online customer traffic with offline services.

### *Smart Restaurant (智慧餐廳)*

Smart Restaurant targets merchants in the restaurant and catering industry and integrates various functions such as online ordering, food delivery, marketing, membership, and payment in the form of WeChat Mini Programs and WeChat Official Accounts. It enables merchants to attract customers to their offline restaurants through WeChat marketing and incentivizes existing customers to bring new customers, effectively increasing the membership conversion rate and customer retention rate for our merchants.

### *Smart Hotel (智慧酒店)*

Smart Hotel is designed for merchants in the hospitality industry to build up their direct sales platform and expand their online presence by utilising WeChat Mini Programs and WeChat Official Accounts. It provides merchants with functions including online room booking, online hotel mall, membership management, and customer data analysis to quickly attract customer traffic through WeChat and increase merchants' operational efficiency through a comprehensive hotel room management system.

### *Smart Beauty (智慧美業)*

Smart Beauty provides an innovative solution through a combination of WeChat Mini Programs and WeChat Official Accounts for beauty industry merchants, including personal care, hairdressing, body care, and nail art operators. By consolidating functions such as reservation, marketing, membership, reward points system, and payments, Smart Beauty is dedicated to facilitating merchants in the beauty industry to attract fans, convert customers, and encourage repeat purchases. It provides a seamless connection with the merchant's WeChat Official Account, and supports online ordering followed by offline in-store consumption. Smart Beauty also helps merchants build their own online storefronts, expand their business, and realise Internet-based digital transformation.

### *Smart Leisure (智慧休娛)*

Smart Leisure provides a one-stop O2O solution for businesses in the leisure and recreation industry such as karaoke stores, board game stores, and video game stores. It covers various functionalities, including storefront management, member data management, sales through employees, online reservation system, and marketing campaigns. It helps businesses acquire customers efficiently, facilitating multi-channel member accumulation, accurate repurchase and smart employee management, and encouraging a sustainable and effective increase of revenue.

### *Smart Meeting (智慧會務)*

Smart Meeting provides a one-stop conference solution. It features functions such as meeting marketing, flexible sign-in methods, in-meeting big-screen presentation, interaction by games, a powerful data system, and multi-dimensional statistics reports.

### *Smart Food Delivery (智慧外賣)*

Smart Food Delivery provides a comprehensive solution for the food delivery industry. It includes functions such as mobile ordering, online payment, receipt issuance, physical delivery, mobile social networking marketing, sales promotion, and customer membership management services, among others.

### *Smart Traveling (智慧旅遊)*

Smart Traveling provides a comprehensive solution and is designed for traditional travel agencies. By providing such agencies with online functions such as WeChat marketing, online sales, order management, member management, and data analysis, Smart Traveling helps them expand their sales channels and enhances their marketing and customer acquisition capabilities in the modern era of the mobile Internet platform. We launched Smart Traveling in October 2018.

## **Marketing Cloud**

Our Marketing Cloud solution provides merchants with comprehensive and intelligent marketing services through our big data analytics capabilities and AI technology. We created this solution based on our experience serving a large number of merchants across industry verticals and the in-depth industry data we had accumulated.

To help merchants acquire new customers and increase engagement of existing customers, our Marketing Cloud provides multiple tools and technologies to optimise and enhance marketing performance. It also integrates the entire marketing process, from planning and design, customer outreach, advertisement delivery strategy, lead collection to customer conversion. Marketing Cloud incorporates customer insights to provide intelligent and automated marketing plans. It helps merchants fully understand their customers and build marketing strategies based on data insight to ultimately achieve their business goals.

The following describes our major Marketing Cloud products in detail:

### *Wei Station (微站)*

Wei Station enables enterprises and brands to quickly and easily establish their own official WeChat Mini Program-based website. These WeChat Mini Programs are also compatible with H5 code which enables redirection to WeChat Official Accounts and traditional websites, allowing enterprises to reach potential customers through multiple channels. In addition, Wei Station's data analytics and plug-in functionalities provide enterprises with stronger brand marketing capability.

### *Smart Marketing (智營銷)*

Smart Marketing has achieved preliminary success in constructing a customer data platform (CDP) for large and medium-sized customers. Smart Marketing has entered the comprehensive business expansion stage.

### *Wei Form (微盟表單)*

As a general solution providing merchants with various information collection capabilities, Wei Form is able to help merchants conduct market research, customer feedback collection, and customer data accumulation in real time.

### *Zhi Ketui (直客推)*

Zhi Ketui is deeply linked with our targeted marketing business, reduces steps of e-commerce advertisers to create transactions, enables merchants to quickly sell goods through advertising, and helps form a closed loop from traffic attraction to transaction for e-commerce within our ecosystem.

### *Sales Cloud*

#### *Sales Pusher (銷售推)*

Sales Pusher is an intelligent solution for enterprises to improve the customer acquisition capability of their sales force. When a merchant's salesperson shares his business card through WeChat Mini Program into WeChat, Sales Pusher will identify highly interested customers by calculating the likelihood of a transaction. Further, Sales Pusher enables a merchant's salesperson to communicate and follow up with potential customers online in a timely manner without these customers having to add the salesperson as a contact in WeChat. This solution assists merchants in discovering business opportunities and eventually converting online traffic into sales.

#### *Weimob Cloud Platform (微盟雲平台)*

In October 2017, we launched Weimob Cloud platform, which integrates our core services offerings on one single platform and is open for use by third-party developers through standardised APIs. With our Weimob Cloud platform, third-party developers can design and publish enterprise-grade customised applications. Merchants can use such individualised applications to enrich or enhance Commerce Cloud products they purchased from us. The applications offered by third-party developers through Weimob Cloud platform add value to our existing or future products offerings instead of competing with our existing SaaS products.

#### *Benefits of Weimob Cloud Platform*

As at 31 December 2020, we had amassed more than 500 third-party developers using our platform who offered approximately over 1000 applications developed by such third-party developers. We believe our platform has gradually formed a healthily developing ecosystem. Our Weimob Cloud platform provides the following key benefits:

- *Increased business opportunities.* From a business perspective, our Weimob Cloud platform is closely connected to our Subscription Solutions which have already attracted, and which we expect will continue to attract, a large number of merchants across a broad range of industries. With the further development of our Subscription Solutions, the diversity of needs and demands from our merchants will create many business opportunities for third-party developers to monetise their applications.
- *Extensive and comprehensive cloud services.* Our Weimob Cloud platform is constantly expanding and enriching our API and plug-ins on our Weimob Services Market, which covers marketing activities and core transaction operations.
- *Diversified cooperation methods.* As our Weimob Cloud platform has been upgraded from our earlier Weimob open platform, in addition to the basic features of open platform, our Weimob Cloud platform has fully utilised technology insights gained from our extensive experience in such operations to connect third-party developers and merchants through various cooperation methods. Moving forward, we will launch more cloud service capabilities to connect more developers and merchants.

### ***Our Cloud Capabilities***

As at the date of this Offering Circular, we had six cloud capabilities on offer, namely our E-commerce Cloud, Catering Cloud, Customer Cloud, Marketing Cloud, Payment Cloud, and Data Cloud.

- *E-commerce Cloud.* Our E-commerce Cloud enables third-party developers to easily build online malls with our core e-commerce capabilities, including functionalities covering storefronts, merchants, transactions, payment, marketing, customers, and logistics, as well as hundreds of marketing plug-ins.
- *Catering Cloud.* Our Catering Cloud enables third-party developers to access the capabilities of the catering industry such as offline storefronts, orders, payment, membership, and delivery, based on which developers are able to rapidly build the ordering system and delivery system.
- *Customer Cloud.* Our core SCRM capabilities are available through our Customer Cloud, including capabilities such as membership cards, membership benefits, membership marketing and customer profiling.
- *Marketing Cloud.* Our Marketing Cloud provides third-party developers with access to capabilities of hundreds of marketing plug-ins, especially interactive marketing, members marketing and social networking plug-ins.
- *Payment Cloud.* Our Payment Cloud provides capabilities of multiple payment scenarios and payment methods such as payment through WeChat Official Accounts, WeChat Mini Programs, WeChat HTML5, WeChat SDK, WeChat code scanning, WeChat Card, Alipay HTML5, and fast payment through commercial banks.
- *Data Cloud.* Our Data Cloud provides a whole set of data BI capabilities, including data accumulation, data scrubbing, data modeling and analysis, data extraction, data visualisation, and data application services.

### ***Weimob Services Market (服務市場)***

To further connect our third-party developers with our merchants, we also launched our Weimob Services Market, an APP store that provides hundreds of tools and applications developed by third parties to our merchants to achieve their respective business goals. With our Weimob Services Market, merchants are able to access the following functions:

- *Marketing Plug-ins.* Services Market provides a wide array of marketing plug-ins for merchants to attract consumers, including multiple WeChat marketing solutions such as H5 scenario models, H5 mini games, points and bonuses for completion of tasks, forms and graphics generation, and live broadcasting.
- *E-commerce Services.* Various e-commerce services are available on our Weimob Services Market for merchants to choose from, including, but not limited to e-commerce ERP services, order management services, products management services, promotion tools and smart hardware which covers business scenarios for both online and offline stores.
- *Customised Services.* Through our Weimob Services Market, merchants are able to publish their unique needs and requirements. The platform provides a wide range of customised services, covering outsourced management services, software development packages, and WeChat Mini Programs development and marketing.



As at 31 December 2020, we had not generated any revenue in relation to our Weimob Cloud platform and Weimob Services Market. We currently do not share in the revenue of third-party developers generated from applications developed by them and distributed through our Weimob Services Market, or collect fees from users who purchase these applications. In anticipation of a more developed Weimob Cloud platform for third-party developers and Weimob Services Market for users, we may monetise such ecosystem by sharing a portion of the revenue of third-party developers generated from applications developed by them distributed through our platform. Meanwhile, we may also charge third-party developers for marketing services we provide for their application on our Weimob Services Market in order to promote our ecosystem.

### ***Merchant Solutions***

Through our Merchant Solutions, we mainly offer value-added services to existing and potential merchants of our Subscription Solutions, primarily targeted marketing services, as part of the integral solutions to help merchants obtain public domain traffic and further expand their business scale and monetization capabilities. In Merchant Solutions, our one-stop mobile social marketing solutions are convenient, affordable, and efficient for advertisers.

### ***Benefits to Merchants***

Our mobile social marketing platform provides merchants with the following advantages:

- *Proprietary data management platform (DMP) to support precise marketing for advertisers.* The DMP we have built is equipped with abundant consumer behaviour and transaction data. Our algorithms use data from multiple sources and our own data assets to optimise merchants' online mobile terminal marketing contents, marketing campaigns, and promotion activities. We analyse the browsing behaviours and transaction records of the groups of consumers for merchants, instead of individual consumers, and we extract the interest tags of such groups of consumers for the merchants in order to optimise audience targeting strategies. We provide audience profiling analysis on their ability to pay, interests, age, gender, and behaviour to allow advertisers to precisely target and market to their prospective customers. We further offer a model, namely OCPA, which can optimise online marketing campaigns based on the targets of merchants, to help them spend their marketing budget on audiences who are most likely to have an interest in the brand or become paying customers. We believe our proprietary data assets and our precise marketing abilities enable us to measure and improve the marketing performance of mobile social media for merchants more effectively.
- *Rich vertical expertise and data-driven network effects.* We believe we can add more value to merchants in specific industry verticals as we attract more merchants in those industry verticals and accumulate more data relating to these industries to further optimise marketing performance. Throughout our operating history, we have served merchants in a wide array of industry verticals, including wedding apparel, education, interior decoration, catering, real estate, and lifestyle services. As we develop our presence in these industry verticals and more closely integrate with business management systems in these industry verticals, we are able to create more benefits to merchants in these industries. We believe that our data advantage and network effects in subverticals provide us with a competitive advantage in terms of data accumulation, marketing performance optimisation, and operational efficiency.
- *Rich and high-quality media sources to attract and engage consumers.* We offer merchants high-quality, high-traffic media channels where they can execute their marketing campaigns and achieve their branding and marketing goals. We currently provide merchants with marketing on WeChat Moments and WeChat Official Accounts, QQ, Tencent News, Tencent Video, and on Tencent's other social media platforms. Merchants can leverage the high user traffic of these media to expose and promote their products. Merchants can also choose other major social and digital media resources, such as Baidu and Zhihu, to advertise themselves. The depth, breadth, and highly integrated nature of our media channels help our merchants avoid expensive costs associated with aggregating multiple channels.

## ***Our Services***

We offer our services through (i) a one-stop DMP integrated with analytics and optimisation technology and (ii) premium media sources.

### ***Our Data Management Platform (DMP)***

We provide merchants with a one-stop, integrated, easy-to-use platform that enables our merchants to conveniently choose media resources, identify target audiences, create social promotion plans, and utilise other powerful tools for marketing and promotion to acquire, convert, and retain customers.

Our DMP includes the following key features:

#### ***Precise Audience Targeting***

When users visit web pages with advertisements, our database of user profiles will identify and analyse the characteristics and behaviours of the user to assess whether the current user is a suitable target for our merchants. It will further estimate the interest level of the current user towards our advertiser's brand or promotion activities. These analyses can help merchants identify their target customers more accurately and make the most of their marketing activities.

#### ***Analytics and Optimisation***

We optimise merchants' return on investment by using our big data technology, intelligent algorithms, and marketing automation tools to help our merchants increase opportunities to convert social media content viewers into paying consumers. We also provide multi-dimensional marketing effectiveness analytics and real-time reporting, enabling merchants to continuously monitor the performance of their marketing campaigns.

#### ***Flexible Formats***

We provide merchants with a rich repository of targeted marketing forms, content templates, and layouts for them to choose from.

### ***Premium Media Sources***

#### ***WeChat Moments and WeChat Official Account Marketing***

WeChat Moments advertisement is a native advertisement displayed in WeChat Moments in four major formats, namely local promotion, native promotion, video advertising, and graphics advertising. WeChat users can interact with advertisements by means of likes and comments, which enables the marketing contents to be broadcast through social networking. This provides an additional marketing dimension and enhances brand promotion.

WeChat Official Account advertisement is a marketing format where marketing content appears in articles of WeChat Official Account. WeChat Official Account marketing offers multiple marketing activities such as follow, mobile application download, coupon distribution, and brand promotion.

#### ***QQ and QZone Marketing***

Leveraging Tencent's user behaviour data and cross-terminal account system, QQ advertisements can provide merchants with flexible and accurate audience selection. For example, marketing activities can be directed to target customers by using audience attribution labels, activity history, and behaviour profile.

QZone information flow advertisement appears in the customer's friends newsfeed in QQ and is a native social advertisement.

### *Baidu and Zhihu Marketing*

Baidu information flow marketing is a native advertisement displayed on the Baidu APP, Baidu portal, Baidu Tieba, and Baidu mobile browser platforms.

Zhihu advertisements are displayed on mobile Zhihu in the form of native advertisements. Zhihu advertisements can meet merchants' various performance requirements by providing multiple advertising formats, including image-text, video, and text link.

### *Other Media Resources*

We also provide merchants with other mobile marketing media resources such as Xiaomi, 360, and Toutiao through our targeted marketing platform.

### *Data Privacy and Data Protection Measures*

We do not proactively collect consumers' personal information such as legal names and identification numbers or payment-related data. When we provide targeted marketing, we only use consumers' browsing behaviour and transaction data, including the types and categories of the products and services purchased.

We have placed great emphasis on protection of data privacy of merchants and their consumers. According to applicable PRC laws and regulations, our user registration and user data authorisation agreements with our merchants have informed them of the purpose, scope, and method for information collection and use. We have not sold or illegally provided such personal information we have accumulated to any third parties. We have also adopted a set of security safeguard measures to protect the data we have accumulated and stored.

### **Digital Media**

Digital Media mainly comprise our advertisement placement services offered to certain merchants in which specified results or actions are committed. We capitalize on our advantages of media resources and past placement experience to provide merchants with advertising services with effectiveness commitment, by purchasing media platform traffic. As compared to Merchant Solutions of Digital Commerce, the revenue generated from which represents net rebate earned from advertising platforms by providing services to enable merchants to acquire online customer traffic, revenue from Digital Media represents net revenue from advertisers for targeted marketing services recognized using gross method. In other aspects, our services provided in Digital Media are generally similar than those we offer in Merchant Solutions.

## **PRODUCT DEVELOPMENT AND DELIVERY**

### **Subscription Solutions**

#### *New Product Development Process*

Our development process for a new solution or a major new update for existing solutions can be divided into seven general stages, namely, market research and demand analysis, project initiation, product design, product development, quality assurance testing, launch, and ongoing optimisation and development. The first six stages usually take three to eight months, while the final stage for optimisation and development is an ongoing process to help retain the relevance and popularity of each product.

#### *Operating Service*

We provide back-end operating services for our merchants to manage their WeChat Mini Program or WeChat Official Account after delivery of the relevant SaaS products. Some merchants lack dedicated IT personnel to operate their social media storefronts on a daily basis. Our service addresses this gap and offers a solution with both SaaS products and operating service.

## **Merchant Solutions and Digital Media**

The following summarises the general delivery flow of our Digital Commerce – Merchant Solutions and Digital Media:

- *Advertiser Acquisition.* Our sales team and channel partners approach merchants who are our existing Merchant Solutions clients to understand their expanding marketing needs. We also acquire merchants from our general business development activities as well as our targeted marketing clients who call our hotline numbers for consultation.
- *Production of Distribution Contents.* Depending on the advertiser’s capabilities, we produce the distribution contents based on materials provided by the advertiser, or the merchants provide their own produced distribution contents.
- *Publishing Distribution Contents.* Once the distribution contents are published on the targeted social media platforms, we receive accurate publishing results data on a real-time basis from the social media platforms.
- *Post-publishing Tracking.* We keep track of the marketing results and effects after publishing, and provide to merchants relevant reports and accurate data packages. We also optimise our plans and further increase the accuracy of our analysis and plans.

## **PRICING**

### **Subscription Solutions**

We offer merchants different pricing plans to meet their needs and requirements. We currently offer three kinds of plans, namely standard, advanced, and deluxe editions with three corresponding levels of prices. We price our Subscription Solutions based on various factors, including our cost, product positioning, merchant scale, and sales channels. Channel partners are required to market our products according to the price we established and have no significant performance obligations towards the merchants. Therefore, we are the principal and recognise revenue at the gross fee charged to merchants. We recognise the differences between the gross fee billed to our merchants by the channel partners and the fee billed to channel partners by us as a contract acquisition cost.

### **Merchant Solutions and Digital Media**

We charge for our Merchant Solutions and Digital Media services using different pricing models, primarily CPC, CPM, and CPA. CPC, which stands for Cost-Per-Click, is a performance-based metric. Under CPC, we charge merchants when and if a customer clicks on the advertisement we published for the merchants. CPC suits merchants pursuing the performance of an advertisement, as a click on the advertisement indicates a customer’s interest in the distribution content, making such customer the advertiser’s potential customer. Under CPA, namely Cost-Per-Action, we charge our merchants if a customer clicks on the advertisement and performs a specific action such as registering an account or creating a virtual character. On the other hand, CPM, which stands for Cost-Per-Mille, depends on the number of viewers of the advertisement. Under CPM, we charge our merchants based on 1,000 impressions. CPM suits merchants aiming to increase the exposure of their brands, products or services.

Whether we charge merchants by CPC, CPM or CPA or a combination of any of these three models depends on various considerations taking into account the business needs of each advertiser, their brands, budgets, and the targeting social media platforms for marketing.

**SALES CHANNEL**

**Digital Commerce**

*Subscription Solutions*

We generate sales of our Subscription Solutions primarily through our own direct sales force and nationwide local channel partners. Our direct sales force consists of field sales teams in more than 10 cities across China, including Shanghai, Beijing, Hangzhou, Guangzhou, Shenzhen, Chengdu, Nanjing, Suzhou, Wuhan, and Changsha. We generally rely on our channel partners to market our Subscription Solutions in the rest of China.

*Direct Sales*

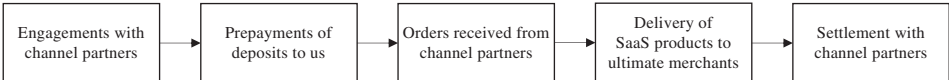
Our direct sales force focuses mainly on developing local SMBs in the ten cities where our field sales teams are based. We typically enter into direct sales agreement with merchants in these ten cities. Merchants are required to pay the full price upfront before we deliver the Subscription Solutions products. We generally do not allow product returns or exchanges after the merchants have commenced use of the product. Salient terms of the direct sales agreement include (i) specific product and price, (ii) product delivery method and schedule, (iii) applicable laws and regulations in respect of our products, (iv) our right to curb any illegal activities conducted by our merchants by using our products, report such activities to relevant authorities, and close the merchants’ accounts, and (v) terms and renewal.

*Channel Partners*

In addition to direct sales, we also employ a channel partnership model for the marketing and sales of our Subscription Solutions products in China, under which we sell Subscription Solutions to channel partners who are responsible for receiving orders and collecting payments from the relevant merchants, or further sell our products through their respective sub-channel partners. Under the channel partnership model, channel partners assist us to market and promote our Subscription Solutions products to merchants. Channel partners approach merchants by leveraging their industry expertise and merchant relationships. We do not enter into sales agreements with channel partners’ clients or their sub-channel partners. The relationship between a channel partner and us is that of a principal and agent relationship.

*Business Process*

The following diagram illustrates the business process of sales through channel partners:



*Selection of Channel Partners*

We select our channel partners based on various criteria. Our detailed selection standards and requirements are formalised and attached to our sales agreement with the channel partners as part of the entire agreement to guarantee the high quality of service that our channel partners provide to merchants.

The main selection criteria of a channel partner candidate are summarised as follows:

- *Business Strategy Alignment.* We look for channel partners with a similar business vision to ours, and who are willing to develop their business together with ours and increase their core competence through cooperating with us.
- *Business Competence and Experience.* Our channel partners are required to have a certain amount of minimum registered capital and operational and business competency in relevant recognised industries such as mobile Internet, and promotion and marketing services.
- *Sales Resources.* Our channel partners are required to have sufficient local sales and marketing resources.
- *Exclusivity.* Our channel partners are not permitted to sell any products or services that compete with ours.

#### *Sales Agreement with Channel Partners*

Salient terms of our channel partner agreement include (i) term of cooperation, (ii) renewal and termination, (iii) designated marketing and sales area, (iv) sales targets, (v) deposit, (vi) pricing, payment and settlement, (vii) return and exchange policy, (viii) sub-channel partners, and (ix) exclusivity.

#### *Management of Channel Partners*

We manage our channel partners in the following ways:

- *Performance monitoring and review measures.* We adopt a point-based review system for our channel partners with reference to the quarterly sales targets, incidents of complaints from merchants, and business and service competency in relation to our products.
- *Prevention of undue competition.* Our channel partners are prohibited from selling or promoting in other geographical regions beyond those designated by us. They are also required to sell or promote our Subscription Solutions products strictly following our standard prices.
- *Anti-cannibalisation measures.* We take the following measures to prevent cannibalisation among channel partners: (i) we specify in the sales agreements the designated areas for the respective channel partners and prohibit them from selling or promoting in other areas, (ii) we limit the number of channel partners in each designated geographical region with reference to the specific region's economic development level, and (iii) we have in place a comprehensive set of rules and procedures to avoid cannibalisation among channel partners within same designed area or across different designated areas.
- *Return policy.* Our channel partners generally do not have the contractual right to return products to us. We retain the discretion to allow channel partners to return or exchange their purchases in the circumstance that products purchased by channel partners mismatch with the merchants' needs. The channel partners have to follow our approval process to request a refund.
- *Brand name management.* During the term of the agreement, channel partners are authorised to use our registered trademarks. Channel partners are prohibited to sub-license our trademarks to third parties or operate or market in the name of our subsidiaries or branches.
- *Pricing management.* Channel partners are required to market our Subscription Solutions products according to the list prices we provide. We have a right to adjust the list prices as needed with reference to prevailing rates in the market.
- *Inventory risk management.* We believe we do not have material inventory risk as channel partners are generally required to pay us the price of the Subscription Solutions product before we activate the products to the merchants.

- *Marketing support and training.* We provide marketing support and training to our channel partners to equip them better to serve merchants. Our sales managers of each region provide a seven-day training session for local channel partners, including products training and sales techniques training, as well as assisting local channel partners to expand in local markets.

## Merchant Solutions

We generate sales of our Merchant Solutions services primarily through our own direct sales force and channel partners. We charge merchants or channel partners who represent their respective merchants based on pricing models of CPM or CPC, which is the same pricing mechanism that media publishers charge us. In some circumstances, we offer discounts or rebates to merchants as part of promotion activities. Media publishers grant to us rebates in the form of prepayments for the media publishers' services or cash mainly based on the gross spend of the merchants. Under such arrangements, we are not the principal as we do not control the specified service before that service is transferred to merchants because (i) the specified service being purchased by the advertiser is the viewership (CPM) or the number of clicks (CPC) of the advertisement. Media publishers, rather than our Group, are primarily responsible for providing the media publishing service. We do not have any commitment to the advertiser regarding the effectiveness of the advertisement, (ii) the media advertisement space is not owned by us, and we do not have any commitments to purchase the advertising space, and (iii) we charge merchants based on CPM or CPC, which is the same pricing mechanism that media publishers charge us. Although we have some discretion in determining the price charged to merchants in the form of discounts and rebates given to them, we determine that we are the agent in the transaction based on the weight of the aforementioned factors. We are not the principal in executing these transactions as we are acting on behalf of media publishers.

Under such revenue recognition, media publishers charge us for the purchase of advertising traffic either on a CPC or CPM basis, and we, acting as an agent under our contract with merchants and channel partners, charge the merchants or channel partners on the CPC or CPM basis as well for the advertising services provided and recognise rebates subsequently received from media publishers as our revenue.

## Direct Sales

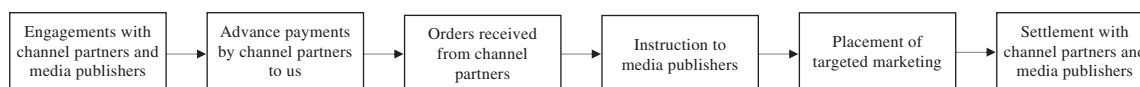
Our direct sales team for Digital Media is centred in Shanghai and stationed in provinces where our branches are located, such as Jiangsu, Zhejiang, Guangdong, Hubei, Sichuan, and Shandong provinces. We typically enter into annual sales agreements with our advertisers under direct sales model. Salient terms of the direct sales agreement primarily include: (i) an initial term of one year subject to renewal upon our consent, (ii) services to be provided by us including marketing campaign design, marketing campaign optimisation, advertisement back-end management, analytics and reporting of marketing performance, (iii) marketing price and payment method, (iv) our right to review and help amend the distribution contents for legality purpose, and (v) our advertisers are obligated to cooperate to amend the contents accordingly.

## Channel Partners

Similar to sales through channel partners with respect to our Digital Commerce, we also employ a channel partnership model for the marketing and sales of our Digital Media in China. The relationship between a channel partner and us is that of a buyer and seller relationship. We charge channel partners based on different pricing models such as CPC, CPM or CPA for the provision of targeted marketing for advertisers that the channel partners represent. We do not enter into sales agreements with our channel partners' advertiser clients directly.

## Business Process

The following flowchart illustrates the business process of sales through our channel partners:



### *Selection of Channel Partners*

We select our channel partners for our Digital Media business following similar criteria as our channel partners for our Digital Commerce business. The detailed selection standards and requirements are attached to our agreements with the channel partners as an integral part of such agreements.

### *Cooperation Agreement with Channel Partners*

We typically enter into an annual agreement with our channel partners. Salient terms of the channel partner agreements include (i) term, renewal and termination, (ii) designated geographic region, (iii) sales targets, (iv) rebates, (v) pricing, (vi) payment and settlement, (vii) return and exchange policy, and (viii) exclusivity.

### *Management of Channel Partners*

We manage our channel partners in various respects, including the following:

- *Performance monitoring and review measures.* We adopt a point-based review system for our channel partners with reference to the cities where they operate, the duration of their cooperation with us, quarterly sales targets, quarterly active accounts, level of cooperation, market exposure, and regulatory noncompliance incidents.
- *Inventory risk management.* We believe we do not have material inventory risk because we do not create advertisement content or media resources for our channel partners. We provide targeted marketing to our channel partners after we enter into relevant service agreements with them.
- *Marketing support.* We provide comprehensive marketing support to our channel partners, including building sales systems, dividing operation systems such as project execution and collaboration between design and planning, public relationship marketing activities such as meeting marketing, attending conferences and summits and collecting marketing leads, and support for training system such as a combination of online and offline training and on-site visits.
- *Trademark use management.* We authorise channel partners to use our trademarks for purposes of marketing our service during the term of the cooperation agreement. Channel partners are prohibited from sub-licensing our trademarks to third parties.

### **Digital Media**

We generate sales of our Digital Media primarily through our own direct sales force and channel partners. We charge advertisers based on, or adjusted by, specified actions such as download, installation or registration of the mobile device user, or CPA, and media publishers charge us based on CPM or CPC. We are the principal in this arrangement and control the specified service before that service is transferred to a customer in this arrangement because (i) the specified service purchased by advertisers is a successful acquisition of or specific action from users. We are primarily responsible for delivering the specified service to advertisers, and have the discretion in determining how to achieve the CPA and how much to pay media publishers based on CPM or CPC, (ii) we are subject to certain risk of loss to the extent that the cost paid to media publishers for clicks or impressions cannot be compensated by the total consideration obtained from advertisers according to the number of user acquisitions or specific user actions, and (iii) we have the latitude to determine the cost per action charged to advertisers. Therefore, we report revenue earned from advertisers and costs paid to media publishers related to these transactions on a gross basis. Under this arrangement, the rebates earned from media publishers are recorded as reduction of cost of sales.

Under such revenue recognition, media publishers charge us for the purchase of advertising traffic either on a CPC or CPM basis and we, acting as principal under our contracts with advertisers and channel partners, charge the advertisers or channel partners based on or adjusted by specified actions as our revenue and recognise rebates subsequently received from media publishers as reductions in our cost of sales.



## ***Direct Sales***

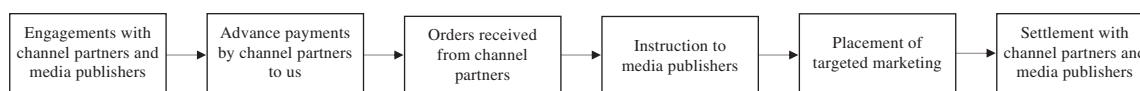
Our direct sales team for Digital Media is centred in Shanghai and stationed in provinces where our branches are located, such as Jiangsu, Zhejiang, Guangdong, Hubei, Sichuan, and Shandong provinces. We typically enter into annual sales agreements with our advertisers under direct sales model. Salient terms of the direct sales agreement primarily include: (i) an initial term of one year subject to renewal upon our consent, (ii) services to be provided by us including marketing campaign design, marketing campaign optimisation, advertisement back-end management, analytics and reporting of marketing performance, (iii) marketing price and payment method, (iv) our right to review and help amend the distribution contents for legality purpose, and (v) our advertisers are obligated to cooperate to amend the contents accordingly.

## ***Channel Partners***

Similar to sales through channel partners with respect to our Digital Commerce, we also employ a channel partnership model for the marketing and sales of our Digital Media in China. The relationship between a channel partner and us is that of a buyer and seller relationship. We charge channel partners based on different pricing models such as CPC, CPM or CPA for the provision of targeted marketing for advertisers that the channel partners represent. We do not enter into sales agreements with our channel partners' advertiser clients directly.

## ***Business Process***

The following flowchart illustrates the business process of sales through our channel partners:



## ***Selection of Channel Partners***

We select our channel partners for our Digital Media business following similar criteria as our channel partners for our Digital Commerce business. The detailed selection standards and requirements are attached to our agreements with the channel partners as an integral part of such agreements.

## ***Cooperation Agreement with Channel Partners***

We typically enter into an annual agreement with our channel partners. Salient terms of the channel partner agreements include (i) term, renewal and termination, (ii) designated geographic region, (iii) sales targets, (iv) rebates, (v) pricing, (vi) payment and settlement, (vii) return and exchange policy, and (viii) exclusivity.

## ***Management of Channel Partners***

We manage our channel partners in various respects, including the following:

- *Performance monitoring and review measures.* We adopt a point-based review system for our channel partners with reference to the cities where they operate, the duration of their cooperation with us, quarterly sales targets, quarterly active accounts, level of cooperation, market exposure, and regulatory noncompliance incidents.
- *Inventory risk management.* We believe we do not have material inventory risk because we do not create advertisement content or media resources for our channel partners. We provide targeted marketing to our channel partners after we enter into relevant service agreements with them.

- *Marketing support.* We provide comprehensive marketing support to our channel partners, including building sales systems, dividing operation systems such as project execution and collaboration between design and planning, public relationship marketing activities such as meeting marketing, attending conferences and summits and collecting marketing leads, and support for training system such as a combination of online and offline training and on-site visits.
- *Trademark use management.* We authorise channel partners to use our trademarks for purposes of marketing our service during the term of the cooperation agreement. Channel partners are prohibited from sub-licensing our trademarks to third parties.

## **MARKETING AND BRANDING**

We realise brand promotion and marketing through a combination of online and offline marketing campaigns.

We build and increase our brand awareness through online channels such as search engines, social media promotion and targeted advertisement distribution. We publicise our new products and other new developments on a variety of media platforms, including our WeChat Official Account, Baidu Baijia, Toutiao, Sina, Sohu, and Netease to communicate and interact with our target and other potential clients and increase their recognition of our corporate value and brand.

Complementary to our online marketing efforts, we also participate in offline events such as industry fairs and meetings to build our brand image comprehensively as well as increase brand reputation and influence. For example, in order to build our brand image, we hold multi-dimension offline promotion meetings, attend e-commerce and catering industry exhibitions and summits, and launch nationwide “Hurricane” brand marketing campaign and regional marketing conferences.

## **AFTER-SALES SERVICES**

As we upgrade and optimise our products on a continuous basis, we also provide a series of after-sales services to ensure that our clients are sufficiently and adequately equipped in their daily use of our products. We have also set up an efficient system to collect, record, process, track, and analyse client complaints. Our major after-sales services include: (i) manuals and handbooks, (ii) one-on-one after-sale guidance, (iii) accounts building services, (iv) online training, (v) offline training and (vi) data-related services. We also assist our channel partners in building their own after-sales services team as part of our continuous cooperation with these channel partners.

## **OUR RELATIONSHIP WITH TENCENT**

Tencent is our important business partner in relation to our Digital Commerce, Digital Media and our cloud-based technology infrastructure. We primarily deliver our Subscription Solutions on WeChat in the form of WeChat Mini Programs and WeChat Official Accounts. We also offer targeted marketing to advertisers primarily through Tencent’s social media platforms, including advertisements on WeChat Moments, WeChat Official Account, QQ, QZone, Tencent News, and Tencent Video. Furthermore, we primarily use Tencent Cloud as the cloud data server and hosting service provider for our cloud-based technology infrastructure.

Meanwhile, our leading position in the WeChat-based third-party service market plays an important role in the WeChat ecosystem. Our large client base, advanced technologies, and continuous provision of cutting-edge products and services on the WeChat platform promote the development of WeChat ecosystem and benefits all parties in the ecosystem at the same time, through acquiring and retaining users for WeChat, while fully utilising and further developing the various functions of WeChat. Therefore, we believe the relationship between Tencent and us is mutually beneficial.

## **OUR TECHNOLOGY AND INFRASTRUCTURE**

### **Our Data Assets and Big Data Analytics Capabilities**

The high volumes of traffic over our platforms have brought us large amounts of data, and our SaaS products have enabled us to accumulate user data under various scenarios. Our data assets primarily include customers' basic profile, behaviour data and transaction data from various channels and under various scenarios. In addition, our platform stores a huge amount of business data of the merchants. Therefore, we have built a proprietary and professional big data centre for better management and analysis of such data.

Our Weimob data centre is based on an open source platform distribution, CDH, community open source technology and is deeply optimised by our experienced engineers to enhance its function. We have self-developed and implemented various advanced technologies, including database synchronisation within seconds, general authorisation management, and data flow monitoring. We have built up more than ten assisting systems, which are able to process TB-level data every day, and our SLA had been higher than 99.9% as at the date of this Offering Circular.

Our data engineers achieve a comprehensive understanding of our merchants by cleaning, modeling, analysing and mining such data, and build customer insights to provide better experience and more targeted services for our merchants and their customers. Meanwhile, we also help our merchants increase their operational efficiency through BI reports. We have built various big data applications such as precise targeting, customer profile analysis, traffic analysis, personalised recommendation, and marketing results prediction, through which we are able to obtain more effective data to optimise our models and increase accuracy of data. We plan to provide more data-driven value-added services in the future, including marketing automation and fintech services.

### **AI and Machine Learning**

Our algorithm engineering team explores areas of AI and machine learning on a continuous basis. We have built up our own algorithm database in AI, combining scenarios such as marketing automatised, user experience optimisation and big data risk management, including image classification based on deep learning, image segmentation, CTR prediction, query classification, document topic modeling, feature mining and OCR.

We have also conducted forward-looking analyses in natural language processing, semantic analysis, thematic analysis, emotion analysis, voice recognition, voice generation, and other fields. Together with the establishment of an industry database, we are developing relevant technologies to provide our clients with comprehensive artificial intelligent services, including smart customer services, smart assistant, and smart voice calling and responding.

### **Our Infrastructure**

Our platform is built on a highly scalable and reliable cloud-based technology architecture through our cooperation with Tencent Cloud. This allows us to process large amounts of data on a real-time basis and ensures high speed and stable performance on a large scale to accommodate more merchants and their customers and support the increased complexity and diversity of our business operations.

Key features of our infrastructure are set out below:

- *Reliability and availability.* Our platform is built up on servers in geographically dispersed data centres that are fault-tolerant. This ensures the high reliability of our platform. We believe that our platform is at the heart of our merchants' businesses, therefore we employ a highly redundant, horizontally scalable, and shared architecture to ensure the resiliency and high availability of our platform. As at the date of this Offering Circular, the SLA of our infrastructure had been higher than 99.9%, and we had not experienced any material service interruption.

- *Scalability.* We use microservice technology to build the cloud-based architecture of our platform, which allows us to easily scale our computing resources and support sudden traffic and order spikes from our merchants. We host our platform in hybrid cloud-based servers which are developed and optimised by our engineers. As at the date of this Offering Circular, we had benchmarked our platform to handle at least 200,000 requests per second and 30,000 transactions per second, based on performance testing results.
- *High Performance.* Our merchants and their customers require ultra-fast user experience in today's era of mobile Internet. Therefore, we use advanced technologies such as Single Page, Client-Cache, Hybrid (a development frame) and React to conduct large optimisation for end users, and combine BGP network and CDN to provide end users with the fastest experience. Our current median response times of services are less than 200 milliseconds and more than 95% of the contents load and display within two seconds. Moreover, our platform supports tens of millions of visitors.
- *Security.* Our platform has obtained recognition of the Graded Protection of National Network Security – Grade Three. We use double firewall technology, together with Tencent Dayu Distributed Defense (騰訊大禹安全), to build our external firewall, whose DDoS peak defense reaches 300GB and safe defense capabilities cover both challenge collapsar attack defense and Web Intrusion defense. We leverage our self-developed big data smart risk control engine to effectively help our merchants prevent business security issues such as frauds, cheating, and attacks. In addition, we protect our merchants' data by adopting advanced encryption, two-factor authentication, intrusion detection systems, as well as other technologies.

#### **PaaS Middle Layer and Weimob Cloud Platform**

- We have been focused on leveraging cutting edge and special technologies to build an advanced and powerful platform. Based on our operational experience in various industries, we have built up a powerful PaaS platform, covering our SCRM capabilities, complete with e-commerce transaction capabilities, advanced marketing capabilities and precise data capabilities. We believe that our PaaS platform is one of our core competitive areas.
- Leveraging our PaaS platform, through reuse and integration, we are able to deliver a high-quality SaaS product within a short period of time, which enables us to keep providing solutions for various industry verticals based on their changing needs through our continuous product and technology innovation.
- We also open our PaaS platform capabilities to third-party developers and business partners, encouraging them to provide different creative application for our merchants. This will enrich our products as well as the technology ecosystem. We further guarantee the security and reliability of our open platform through auth2.0 identification authentication and flow control.

#### **Excellent User Experience**

We have built a user interaction technology frame covering interaction design, visual design and UI technology. Based on this frame, we use assembly modularisation technology to enable different businesses to share the assemblies and therefore build a user interaction interface with visual uniformity within a short time. Our user interaction technology frame covers mobile devices, including mobile phones, tablets, and PC devices. Using technologies such as WeChat Mini Program technology, Single Page, Client-Cache, Hybrid, and React, our user interaction framework can operate on mobile ends, which enables us to quickly build WeChat Mini Programs and mobile stores with excellent user experience.

#### **RESEARCH AND DEVELOPMENT**

We have a team of experienced engineers dedicated to research and development. Our research and development staff have expertise in mobile Internet information technology, large-scale distributed application technology, big data computing technology and AI technology.

Our research and development team works under comprehensive and strict procedures covering demand analysis, project initiation, design and development, and testing and launching to effectively control costs as well as guarantee product quality. We evaluate our research and technology team, not only based on product quality, project quality, and technology abilities, but also based on soft aspects such as customer satisfaction, and sales performance.

We regard the development of a basic technology and development tool kit as important because a favourable development environment helps improve efficiency significantly as well as reducing systematic risks. We have built a complete technology system, including infrastructure, micro services frame, development tool kits and development frame and powerful PaaS platform. We value technology accumulation and innovation. We also established our technology committee consisting of Mr. Huang Junwei, our Chief Technology Officer, as chairman and our other key research and development personnel, focusing on planning and analysing our core technologies, actively exploring and conducting forward-looking analysis in areas such as big data analysis, large-scale distributed applications, user interaction technologies, machine learning, and AI. Meanwhile, we regard the combination of application and technology as important. Therefore, we hold scheduled hackathon sessions to foster creativity in both our technical and non-technical staff in a team environment.

## **COMPETITION**

The markets in which we operate are highly competitive. Our competitors include cloud-based commerce and marketing service providers for SMBs in China, targeted marketing providers for SMBs on Tencent's social networking service platforms as well as WeChat-based third-party service providers in China. We believe the principal competitive factors in our industries are functionality of the products and services, user experience, technology capabilities, sale capabilities, pricing and brand recognition, and reputation. In addition, new and enhanced technologies may further increase competition in our industries. We believe that we are well-positioned to compete effectively based on the foregoing factors. However, some of our current or potential competitors may be able to develop products and services better accepted by the merchants and advertisers or may be able to respond more quickly and effectively than we can to new or changing opportunities, technologies, regulations or clients' requirements.

## **INTELLECTUAL PROPERTY**

We regard our proprietary domain names, copyrights, trademarks, trade secrets, and other intellectual property, critical to our business operations. We rely on a combination of patents, copyrights, trademarks, trade secret laws, and restrictions on disclosure to protect our intellectual property.

We implement a set of comprehensive measures to protect our intellectual property, in addition to making trademark and patent registration applications. Key measures include: (i) establishing a dedicated intellectual properties legal task force to guide, manage, supervise and monitor our daily work regarding intellectual properties, (ii) applying for registration of our intellectual properties before we start our business, (iii) timely registration, filing and application for ownership of our intellectual properties, (iv) actively tracking the registration and authorisation status of intellectual properties and take action in a timely manner if any potential conflicts with our intellectual properties are identified, (v) separating physical areas for technology development areas and business secrets protection areas which are only accessible with authorisation under strict visiting rules, and (vi) clearly stating all rights and obligations regarding the ownership and protection of intellectual properties in all employment contracts and commercial contracts we enter into.

As at the date of this Offering Circular, we had not been subject to any material dispute or claims for infringement upon third parties' trademarks, licenses and other intellectual property rights in China.

## **EMPLOYEES**

As at 31 December 2020, we had 5,796 full-time employees, the majority of whom are based in Shanghai, China.

As a matter of policy, we provide a robust training program for new employees that we hire. We also provide regular and specialised trainings both online and offline, tailored to the needs of our employees in different departments. We further established Weimob University as a training centre for our employees in January 2016. Our training curriculums are tailored to new employees, current employees and management members based on their roles and skill levels. Through these trainings, we ensure that our staff's skill sets remain up-to-date and enable them to discover and meet our clients' needs. We believe our training culture has contributed to our ability to recruit and retain qualified employees.

As required under PRC regulations, we participate in various employee social security plans that are organised by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury, maternity, and unemployment benefit plans.

Our employees have not formed any employee union or association. We believe we maintain a good working relationship with our employees and we have not experienced any material labour dispute or any difficulty in recruiting staff for our operations as at the date of this Offering Circular.

## **INSURANCE**

In line with general market practice, we do not maintain any business interruption insurance or product liability insurance, which are not mandatory under PRC laws. We do not maintain keyman insurance, insurance policies covering damages to our network infrastructures or information technology systems, nor any insurance policies for our properties. As at the date of this Offering Circular, we had not made any material insurance claims in relation to our business. See also "*Risk Factors – Risks Relating to Our Business and Industry – We may not have sufficient insurance coverage to cover our potential liability or losses and as a result, our business, financial conditions, results of operations and prospects may be materially and adversely affected should any such liability or losses arise*".

## **HEALTH, SAFETY AND ENVIRONMENTAL MEASURES**

We do not operate any production facilities. Therefore, we are not subject to significant health, safety or environmental risks. We do not expect to incur any material liabilities or expenditures in these respects. As at the date of this Offering Circular, we had not been subject to any fines or other penalties due to non-compliance with health, safety or environmental regulations.

## **LICENSES, APPROVALS AND PERMITS**

As at the date of this Offering Circular, we had obtained all material licenses and permits required for our business operations in the PRC, and such business licenses had remained in full effect. We are not required to obtain any other material licenses or permits in conducting our business operations in China.

## **LEGAL PROCEEDINGS AND COMPLIANCE**

### **Legal Proceedings**

From time to time, we may become involved in legal proceedings in the ordinary course of our business. As at the date of this Offering Circular, we had not been and were not a party to any material legal, arbitral or administrative proceedings, and we were not aware of any pending or threatened legal, arbitral or administrative proceedings against us or our Directors that could, individually or in the aggregate, have a material adverse effect on our business, financial condition, and results of operations.

### **Compliance**

As at the date of this Offering Circular, we had not been and were not involved in any material incidents of non-compliance.

## **RISK MANAGEMENT AND INTERNAL CONTROL**

We established, and currently maintain, risk management and internal control systems consisting of policies and procedures that we consider appropriate for our business operations. We are dedicated to continually improving these systems. We adopted and implemented comprehensive risk management policies in various aspects of our business operations, such as information technology, financial reporting, compliance, and human resources. Our Board of Directors is responsible for the establishment and updating of our internal control systems, while our senior management monitors the daily implementation of the internal control procedures and measures with respect to each subsidiaries and functional departments.

### **Information Security Management**

We pay close attention to risk management relating to our information technology, as storage and protection of our user data and other related information is critical to us. Sensitive data and information in our business operations provided to merchants are recorded and stored on the Tencent Cloud. Such information includes, but is not limited to, users' personal information (such as cell phone number, delivery address, WeChat profile picture, WeChat name, age and gender), transaction record, and activity log. We have kept all sensitive user data and information in our database since our inception, and maintain such information unless deletion is required by relevant laws and regulations or requested by the relevant users. User information which we store does not involve information relating to payments, such as credit card information.

In general, according to our service agreement and governing laws and regulations, upon signing up with us, users agree and authorise us and our merchants (that they specifically visit) to use their personal information, such as WeChat profile picture, WeChat name, cell phone number, and information generated from certain services, such as delivery address and the recipient's name. To ensure the security of user information, we, and our merchants providing such services, have obligations to keep such information confidential.

We have adopted a rigorous encrypted algorithm to store sensitive data and strictly execute a data accessing and transmitting policy to ensure the confidentiality of our user data. We have also developed strict internal control and data accessing mechanisms and detailed approval and operation procedures regarding user data processing. Under such mechanisms and procedures, any operation violating information security regulations will result in internal disciplinary action. In general, the information that our staff have access to is anonymous and desensitised. Our staff are expected to undertake training on data protection, which we organise regularly.

We also have a comprehensive data backup system to encrypt and store data on servers in different locations in order to minimise the risk of data loss. In addition, we conduct data restore tests to examine the status of the backup system on a regular basis.

Furthermore, we have set up a specialised information security team which is directly lead by our Chief Technology Officer. The information security team is responsible for inspecting and reporting any suspicious data deriving and transmitting activities, as well as enhancing our data protection system pursuant to the changes of laws and regulations and technology development. Meanwhile, this team takes charge of reviewing, discussing and improving our technologies in managing information security and our internal control system to ensure adequate protection is given to our user data.

## MANAGEMENT

### DIRECTORS

The Board consists of seven Directors, comprising four executive Directors and three independent non-executive Directors. The following table provides certain information about the Directors:

Name	Age	Positions
Mr. SUN Taoyong (孫濤勇)	33	Founder and Executive Director
Mr. FANG Tongshu (方桐舒)	36	Co-founder and Executive Director
Mr. YOU Fengchun (游鳳椿)	32	Co-founder and Executive Director
Mr. HUANG Junwei (黃駿偉)	41	Executive Director
Mr. SUN Mingchun (孫明春)	49	Independent non-executive Director
Mr. LI Xufu (李緒富)	54	Independent non-executive Director
Mr. TANG Wei (唐偉)	45	Independent non-executive Director

### Executive Directors

**Mr. SUN Taoyong** (孫濤勇), aged 33, is the Founder of our Group. Mr. Sun currently serves as the Chairman of the Board, executive Director and the Chief Executive Officer of our Company. Mr. Sun also serves as an executive director and the chief executive officer of Weimob Development and holds various directorships in our subsidiaries. Mr. Sun is responsible for formulation of business plans, strategies and other major decisions of our Group, as well as overall management of our Group. In recognition of his innovation, entrepreneurship and contributions, Mr. Sun has received numerous awards and recognitions, including “Top 10 Young IT Pioneers in Shanghai” (上海IT青年新銳獎) by Shanghai Informatization Youth Talent Association in 2015, “100 Most Innovative Individual in PRC Business of 2015” (2015中國商業最具創意人物100) by Fast Company Magazine in 2016, “China E-Commerce Innovation Best Person of the Year – Service Vendor” (年度電商創新服務商人物) by International E-Commerce Innovation Association (IECIA) in 2016, “Person of the Year in Anhui Province” (安徽年度新聞人物) by Anhui TV Station in 2016, “2016 Entrepreneurs Under 30” (2016年30歲以下創業新貴) by CYZone (創業邦) in 2016, and “Forbes 30 Under 30 Asia List” by Forbes in 2017 (福布斯亞洲30歲以下傑出人物榜), and was selected to the “2018 Shanghai Leading Talents Training Program” (2018上海領軍人才培養計劃). Mr. Sun was also the national champion of the first season of “I am the Founder” (我是創始人), a competitive reality TV show for technology entrepreneurs. Mr. Sun is also a representative of the eighth Shanghai Baoshan District People’s Congress.

Mr. Sun obtained his bachelor’s degree in educational technology from Anqing Normal University (安慶師範大學) in June 2010. He obtained his master’s degree in software engineering from Beijing Institute of Technology (北京理工大學) in February 2013.

**Mr. FANG Tongshu** (方桐舒), aged 36, is the co-founder of our Group. Mr. Fang currently serves as an executive Director and president of the intelligent business career group of our Company. Mr. Fang also serves as the senior vice president at Weimob Development since September 2014. Mr. Fang is mainly responsible for overall operation and management of the software business. Prior to joining our Group, from March 2006 to March 2007, Mr. Fang served as a general sales manager at Hotsales Software Technology Co., Ltd. (上海火速軟件技術有限公司). From April 2007 to March 2013, Mr. Fang served as a general sales and operations manager at Hotsales Network Technology Co., Ltd. (上海火速網絡科技有限公司).

Mr. Fang graduated from Nankai University (南開大學) with a major in business administration in June 2019.

**Mr. YOU Fengchun** (游鳳椿), aged 32, is the co-founder of our Group. Mr. You currently serves as an executive Director, President and president of intelligent marketing career group of our Company. Mr. You also serves as the senior vice president at Weimob Development since December 2015. Mr. You is mainly responsible for overall planning and operation of the targeted marketing business. Prior to joining our Group, Mr. You was mainly engaged in early investment and personal entrepreneurship projects.



Mr. You attended a senior executive development program in business management at Shanghai Jiao Tong University (上海交通大學) from November 2015 to March 2016.

**Mr. HUANG Junwei** (黃駿偉), aged 41, is an executive Director and the Chief Technology Officer of our Company. Mr. Huang also serves as the vice president and chief technology officer of Weimob Development since September 2014. Mr. Huang is mainly responsible for overall technological policies, product research and development, and the establishment of technological platforms. Mr. Huang has over 10 years of experience in software product research and development.

Prior to joining our Group, from July 2005 to April 2010, Mr. Huang served as a software engineer at Intel Asia and Pacific R&D Ltd. (英特爾亞太研發有限公司). From May 2010 to October 2010, Mr. Huang served as a software engineer at Google Information Technology (Shanghai) Co., Ltd. (咕果信息技術(上海)有限公司). From October 2010 to April 2014, Mr. Huang worked at Baidu (China) Co., Ltd. (百度(中國)有限公司), primarily responsible for product research and development.

Mr. Huang obtained his bachelor's degree in computer science and technology from Fudan University (復旦大學) in July 2002. Mr. Huang obtained his master's degree in computer architecture from Fudan University in June 2005.

#### **Independent Non-executive Directors**

**Dr. SUN Mingchun** (孫明春), aged 49, is an independent non-executive Director of our Company. Dr. Sun has over 20 years of experience in finance.

From July 1993 to August 1999, Dr. Sun served as an economist at the State Administration of Foreign Exchange of the PRC (中國國家外匯管理局). Dr. Sun worked at Capital One Financial (美國第一資本金融公司) in 2002, and worked as an economist at Lehman Brothers Asia Limited (雷曼兄弟(亞洲)有限公司) in 2006. From October 2008 to November 2010, Dr. Sun served as the managing director, chief China economist and head of China equity research at Nomura International (Hong Kong) Limited (野村國際(香港)有限公司). From November 2010 to May 2013, Dr. Sun served as the managing director, head of China research and chief greater China economist at Daiwa Capital Markets Hong Kong Limited. From September 2013 to May 2014, Dr. Sun served as a senior partner and chief economist of China Broad Capital Co., Ltd. (上海博道投資管理有限公司). Since July 2014, Dr. Sun has been serving as an independent non-executive director at HJ Capital (International) Holdings Company Limited (華金國際資本控股有限公司), a company listed on the Stock Exchange (stock code: 0982). Since October 2014, Dr. Sun has been serving as the chairman and chief investment officer at Deepwater Capital Limited (博海資本有限公司). Since November 2016, Dr. Sun has been serving as an independent non-executive director at Great Wall Pan Asia Holdings Limited (長城環亞控股有限公司), a company listed on the Stock Exchange (stock code: 0583).

Dr. Sun obtained his bachelor's degree in international economics from Fudan University (復旦大學) in July 1993. He obtained his master's degree in engineering-economic systems and operations research from Stanford University in June 2001, and his doctorate degree in management science and engineering from Stanford University in June 2006. Dr. Sun has been the Vice President of the Chinese Financial Association of Hong Kong since 2012 and has been a member of the China Finance 40 Forum since 2008.

**Dr. LI Xufu** (李緒富), aged 54, is an independent non-executive Director of our Company. Dr. Li was formerly known as Li Xufu (李緒付). Dr. Li has 24 years of experience in the securities and investment industry.

After Dr. Li obtained his master's degree, he started his career as a senior manager of the investment banking department at Guotai Junan Securities Co., Ltd., until 1996 when he later joined China Southern Securities Co., Ltd. (南方證券股份有限公司) as a general manager of the investment banking department (Shanghai). In 2004, Dr. Li served as the general manager of corporate finance department at Changjiang BNP Paribas Peregrine Securities Co., Ltd, and later in 2006, Dr. Li served as a director at BNP Paribas Capital (Asia Pacific) Limited (法國巴黎融資(亞太)有限公司). From December 2007 to August 2009, Dr.

Li was a partner of Bull Consultants Limited. From September 2009 to June 2018, Dr. Li was the executive partner and managing partner in Bull Capital Partners (Hong Kong) Limited. From January 2009 to May 2014, he served as a non-executive director at JD.com, Inc. (京東集團), a company listed on the Nasdaq Stock Exchange (stock code: JD) and the Stock Exchange (stock code: 9618). From March 2008 to March 2014, he also served as an independent director at Gemdale Holdings Co., Ltd. (金地集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600383). Dr. Li currently serves as a managing partner of Ningbo Xinli Equity Investment Management Partnership (Limited Partnership) (寧波新犁股權投資管理合夥企業(有限合夥)), formerly known as Ningbo Bull Equity Investment Management Partnership (Limited Partnership) (寧波雄牛股權投資管理合夥企業(有限合夥)).

Dr. Li obtained his bachelor's degree in German from Shanghai International Studies University (上海外國語大學) in July 1988. He obtained his master's degree in world economics from Fudan University (復旦大學) in July 1994 and his doctorate degree in international finance from Fudan University in June 2003. Dr. Li is currently a visiting professor in the department of economics at Fudan University.

**Mr. TANG Wei** (唐偉), aged 45, is an independent non-executive Director of our Company.

Mr. Tang has over 10 years of experience in accounting, financial management and investment banking. Most notably, from September 2006 to September 2008 and then January 2010 to October 2014, Mr. Tang served as an associate and an executive director of the investment banking department at Goldman Sachs Gao Hua Securities Co., Ltd. (高盛高華證券有限責任公司). From October 2008 to January 2010, Mr. Tang served as a deputy general manager in the investment banking department in China International Capital Corporation Limited (中國國際金融股份有限公司). From June 2015 to December 2015, he served as an investment director at CNIC Co., Ltd. (國新國際(中國)投資有限公司). From January 2016 to September 2018, Mr. Tang served as the chief financial officer of NavInfo Co., Ltd. (北京四維圖新科技股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002405). Since October 2018, Mr. Tang has been serving as the chief financial officer and secretary to the board of directors of AsiaInfo Company Limited (亞信科技(成都)有限公司).

Mr. Tang obtained his bachelor's degree in international financial management from China University of Petroleum-Beijing (中國石油大學(北京)) in July 1998. He obtained his master's degree in business management from University of International Business and Economics (對外經濟貿易大學) in June 2001. Mr. Tang has been accredited as a Certified Public Accountant by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) since October 2001 and has been admitted as a Fellow of the Association of Chartered Certified Accountants (FCCA) since December 2010.

## SENIOR MANAGEMENT

The following table provides information about members of the senior management of our Group:

<u>Name</u>	<u>Age</u>	<u>Positions</u>
Mr. SUN Taoyong (孫濤勇) . . . . .	33	Founder, Chairman and Chief Executive Officer
Mr. FANG Tongshu (方桐舒) . . . . .	36	Co-founder and president of the intelligent business career group
Mr. YOU Fengchun (游鳳椿) . . . . .	32	Co-founder and president of the intelligent marketing career group
Mr. HUANG Junwei (黃駿偉) . . . . .	41	Chief Technology Officer
Mr. CAO Yi (曹懿) . . . . .	43	Chief Financial Officer and Joint Company Secretary
Mr. FEI Leiming (費雷鳴) . . . . .	40	Chief Human Resources Officer

**SUN Taoyong**, see “– Directors.”

**FANG Tongshu**, see “– Directors.”

**YOU Fengchun**, see “– *Directors*.”

**HUANG Junwei**, see “– *Directors*.”

**Mr. CAO Yi** (曹懿), aged 43, is the Chief Financial Officer of our Company and one of our joint company secretaries. Mr. Cao has also been the vice president and chief financial officer of Weimob Development since August 2016. Mr. Cao is primarily responsible for the overall financial management, financial matters and strategic development of our Group. He has 15 years of experience in the financial management and accountancy industry.

Prior to joining our Group, from August 2003 to June 2010, Mr. Cao served as a manager at KPMG Huazhen (Special General Partnership) (畢馬威華振會計師事務所(特殊普通合夥)). From June 2010 to August 2015, he served as a senior finance manager at GE (China) Co., Ltd. (通用電氣(中國)有限公司), mainly responsible for the financial management of GE’s strategic alliance with China XD Electric Co., Ltd. From August 2015 to December 2015, Mr. Cao served as the deputy chief financial officer of SPI Energy Co., Ltd. (Nasdaq: SPI) (上海美柚新能源科技有限公司), responsible for the financial management of overseas businesses. From December 2015 to July 2016, Mr. Cao served as the finance director of Shenzhen Bincent Technology Co., Ltd. (深圳市彬訊科技有限公司), responsible for its overall financial management.

Mr. Cao obtained his bachelor’s degree in international business management from Shanghai International Studies University (上海外國語大學) in July 1999 and his master’s degree in business management from Shanghai International Studies University in March 2002. He was accredited as a Certified Public Accountant by the Chinese Institute of Certified Public Accountants (中國註冊會計師協會) in December 2010. He has been a member of the Association of Chartered Certified Accountants (ACCA) since October 2013.

**Mr. FEI Leiming** (費雷鳴), aged 40, is the Chief Human Resources Officer of our Company. Mr. Fei has also been the vice president and chief human resources officer of Weimob Development since January 2017. Mr. Fei is mainly responsible for the planning and operation of human resources. He has more than 10 years of experience in human resources and administration.

Prior to joining our Group, from July 2003 to February 2006, Mr. Fei worked at Zhongqi Power Technology Co., Ltd. (中企動力科技股份有限公司), and from March 2006 to May 2012, he served as a senior human resources specialist at Alibaba (China) Network Technology Co., Ltd. (阿里巴巴(中國)網絡技術有限公司), mainly responsible for human resources management. From May 2012 to September 2013, Mr. Fei served as a human resources director at Shanghai HongMei E-commerce Co., Ltd. (上海紅美電子商務有限公司), responsible for overall human resources management. From April 2014 to April 2015, he worked at Suzhou Haowu Information Technology Company Limited (蘇州市好屋信息技術有限公司), responsible for human resources and administrative affairs. From May 2015 to January 2017, he worked at Bailian Omni-channel E-commerce Co., Ltd. (上海百聯全渠道電子商務有限公司), responsible for the general planning and management of human resources for the Internet business sector.

Mr. Fei obtained his bachelor’s degree in administrative management from Shanghai Normal University (上海師範大學) in July 2003.

## **JOINT COMPANY SECRETARIES**

**Mr. CAO Yi** (曹懿) is the joint company secretary of the Company and is responsible for advising the Board on corporate governance matters and ensuring that Board policy and procedures, and applicable laws, rules and regulations are followed.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company also engages **Ms. NG Sau Mei** (伍秀薇), an associate director of TMF Hong Kong Limited (a company secretarial service provider), as another joint company secretary of the Company to assist Mr. Cao to discharge his duties as company secretary of the Company. Mr. Cao is her primary contact person in the Company.

## **BOARD COMMITTEES**

### **Audit Committee**

The Board has established the Audit Committee (the “Audit Committee”), comprising of three independent non-executive Directors, namely, Mr. TANG Wei (Chairman), Dr. SUN Mingchun and Dr. LI Xufu. The primary duties of the Audit Committee are to review and supervise our Company’s financial reporting process, risk management and internal controls. The Audit Committee has, together with the senior management of the Company and the external auditor of the Company, reviewed the accounting principles and practices adopted by the Group as well as the audited consolidated financial statements of the Group for the year ended 31 December 2020.

### **Remuneration Committee**

We established a remuneration committee with written terms of reference in compliance with the Listing Rules and the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules. The primary duties of the remuneration committee are to review and make recommendations to the Board regarding the terms of remuneration packages, bonuses and other compensation payable to our Directors and senior management. The remuneration committee consists of three members, namely, Dr. SUN Mingchun, Dr. LI Xufu and Mr. SUN Taoyong. The chairman of the remuneration committee is Dr. SUN Mingchun.

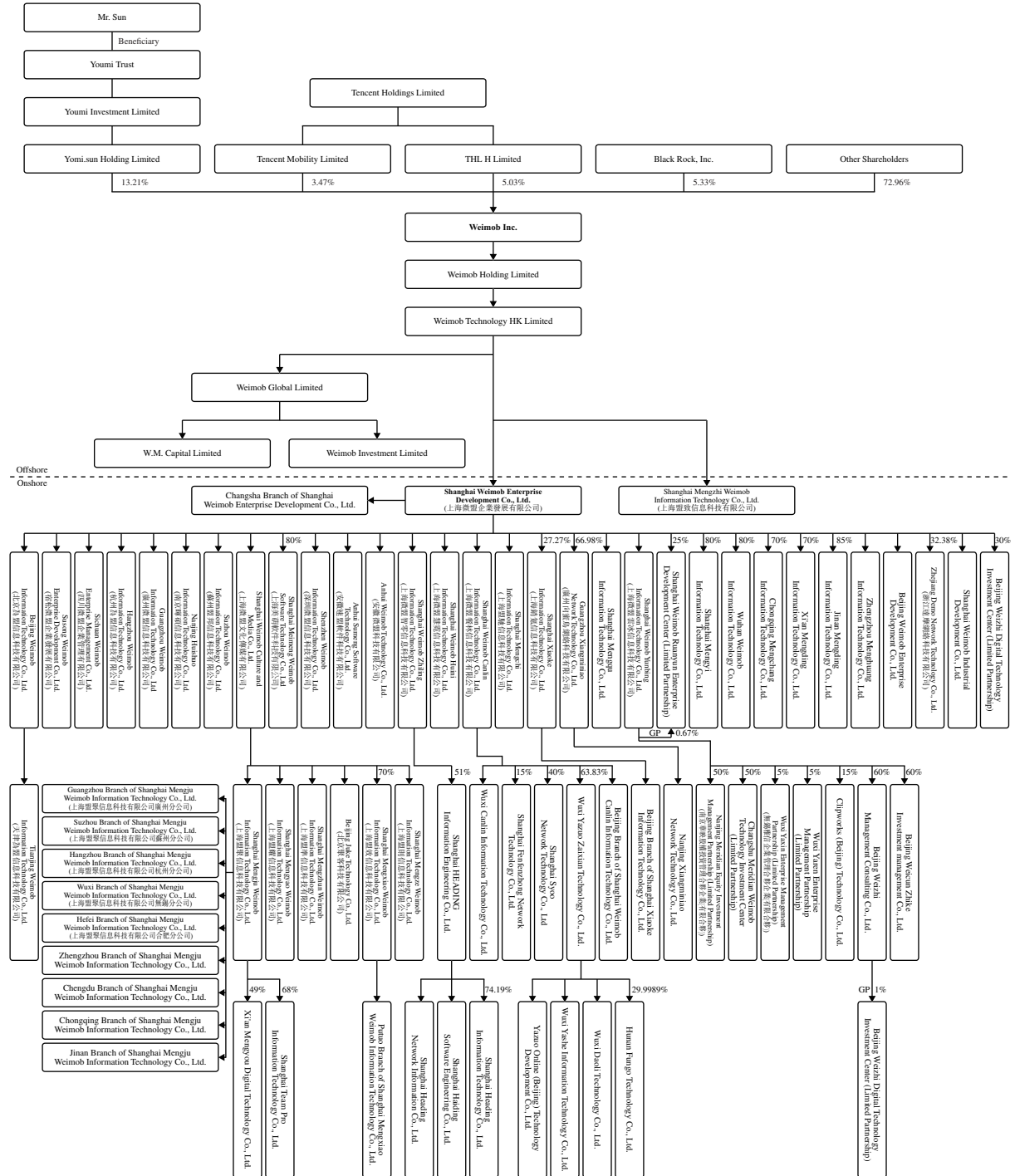
### **Nomination Committee**

We established a nomination committee with written terms of reference in compliance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules. The primary duties of the nomination committee are to make recommendations to our Board on the appointment of members of the Board, and ensure the diversity of members of the Board. The nomination committee consists of three members, namely, Mr. SUN Taoyong, Dr. SUN Mingchun and Dr. LI Xufu. The chairman of the nomination committee is Mr. SUN Taoyong.

# SHAREHOLDING AND DIRECTORS' INTERESTS AND SHARE OPTIONS

## CORPORATE STRUCTURE

Set out below is the shareholding structure of the Group as at the date of this Offering Circular.



Note:

(1) Unless otherwise specified, the shareholding of one company over another company included in the above chart is 100%.

## DIRECTOR'S INTERESTS

### Directors' and Chief Executive's Interests in Shares, Underlying Shares and Debentures

As of December 31, 2020, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules were as follows:

#### Interests in Shares

Name of Director	Capacity/Nature of Interest	Number of Shares	Approximate Percentage of Shareholding (%)	Long/short position
Mr. SUN Taoyong ("Mr. SUN") . . . . .	Settlor of a discretionary trust <sup>(1)</sup> ;	406,380,000	18.02	Long position
	interest held jointly with other persons <sup>(2)</sup>	171,000,000	7.58	Short position
Mr. FANG Tongshu ("Mr. FANG") . . . . .	Interest in controlled corporation <sup>(3)</sup> ;	406,380,000	18.02	Long position
	interest held jointly with other persons <sup>(2)</sup>	171,000,000	7.58	Short position
Mr. YOU Fengchun ("Mr. YOU") . . . . .	Settlor of a discretionary trust <sup>(4)</sup> ;	406,380,000	18.2	Long position
	interest held jointly with other persons <sup>(2)</sup>	171,000,000	7.58	Short position
Mr. HUANG Junwei . . . . .	Beneficial owner	13,940,000	0.62	Long position

(1) Mr. SUN's interest in the Company is indirectly held through Yomi.sun Holding Limited (the "Sun SPV"). Sun SPV is a company incorporated in the British Virgin Islands, and is wholly-owned by Youmi Investment Limited. Youmi Investment Limited is beneficially owned by the Youmi Trust, which was established by Mr. SUN as the settlor, appointor and investment manager. Cantrust (Far East) Limited is the trustee of the Youmi Trust, and Mr. SUN and his family members are the beneficiaries of the Youmi Trust. Mr. SUN is also a director of the Sun SPV. As such, each of Mr. SUN, Cantrust (Far East) Limited and Youmi Investment Limited is deemed to be interested in the Shares held by Sun SPV.

(2) Mr. SUN, Mr. FANG and Mr. YOU are parties acting in concert (having the meaning ascribed thereto in the Hong Kong Code on Takeovers and Mergers) and form the Substantial Shareholders Group. As such, each of Mr. SUN, Mr. FANG and Mr. YOU is deemed to be interested in the Shares held by other members of the Substantial Shareholders Group.

(3) Jeff.Fang Holding Limited (the "Fang SPV") is wholly-owned by Mr. FANG. Under the SFO, Mr. FANG is deemed to be interested in the Shares held by Fang SPV.

(4) Mr. YOU's interest in the Company is indirectly held through Alter.You Holding Limited (the "You SPV"). You SPV is a company incorporated in the British Virgin Islands, and is wholly-owned by Fount Investment Limited. Fount Investment Limited is beneficially owned by the Fount Trust, which was established by Mr. YOU as the settlor, appointor and investment manager. Infiniti Trust (Asia) Limited is the trustee of the Fount Trust, and Mr. YOU and his family members are the beneficiaries of the Fount Trust. Mr. YOU is also a director of the You SPV. As such, each of Mr. YOU, Infiniti Trust (Asia) Limited and Fount Investment Limited is deemed to be interested in the Shares held by You SPV.

Save as disclosed above, as at 31 December 2020, none of the Directors or the chief executive of the Company had or was deemed to have any interest or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part

XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### Substantial Shareholders' Interests in Shares and Underlying Shares

As of December 31, 2020, to the best knowledge of the Directors, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under section 336 of the SFO:

#### Interests in Shares

<u>Name of Shareholder</u>	<u>Capacity/Nature of Interest</u>	<u>Number of Shares</u>	<u>Approximate Percentage of Shareholding (%)</u>	<u>Long/short position</u>
Cantrust (Far East) Limited . . .	Trustee <sup>(1)</sup>	321,145,000	14.24	Long position
		136,000,000	6.03	Short position
Youmi Investment Limited. . .	Interest in controlled corporation <sup>(1)</sup>	321,145,000	14.24	Long position
		136,000,000	6.03	Short position
Sun SPV . . . . .	Beneficial interest <sup>(1)</sup>	321,145,000	14.24	Long position
		136,000,000	6.03	Short position
Tencent Mobility Limited . . .	Beneficial interest <sup>(2)</sup>	58,665,000	2.60	Long position
THL H Limited . . . . .	Beneficial interest <sup>(2)</sup>	122,220,000	5.42	Long position
Tencent Holdings Limited . . .	Interest in controlled corporation <sup>(2)</sup>	180,885,000	8.02	Long position
Credit Suisse Group AG . . . .	Interest in controlled corporation;	205,623,242	9.12	Long position
	investment manager <sup>(3)</sup>	177,306,429	7.86	Short position
JPMorgan Chase & Co. . . . .	Interest in controlled corporation;	142,983,646	6.34	Long position
	investment manager;	72,808,170	3.23	Short position
	person having a security interest in shares;			
	approved lending agent <sup>(4)</sup>	12,222,248	0.54	Lending pool
BlackRock, Inc . . . . .	Interest in controlled corporation <sup>(5)</sup>	135,858,091	6.02	Long position
		9,759,000	0.43	Short position

(1) Sun SPV is a company incorporated in the British Virgin Islands, and is wholly-owned by Youmi Investment Limited. Youmi Investment Limited is beneficially owned by the Youmi Trust, which was established by Mr. SUN as the settlor, appointor and investment manager. Cantrust (Far East) Limited is the trustee of the Youmi Trust, and Mr. SUN and his family members are the beneficiaries of the Youmi Trust. Mr. SUN is also a director of the Sun SPV. As such, each of Mr. SUN, Cantrust (Far East) Limited and Youmi Investment Limited is deemed to be interested in the shares held by Sun SPV.

(2) Tencent Mobility Limited and THL H Limited are wholly-owned subsidiaries of Tencent Holdings Limited. Under the SFO, Tencent Holdings Limited is deemed to be interested in 58,665,000 Shares held by Tencent Mobility Limited and 122,220,000 Shares held by THL H Limited.

(3) Credit Suisse Group AG holds equity interests in the Shares through the companies controlled or indirectly controlled by it.

(4) JPMorgan Chase & Co. holds equity interests in the Shares through the companies directly controlled by it.

(5) BlackRock, Inc holds equity interests in the Shares through the companies controlled or indirectly controlled by it.

Save as disclosed above, as at 31 December 2020, the Directors were not aware of any persons (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under section 336 of the SFO.S

## SHARE OPTIONS

As of the date of this Offering Circular, two restricted share unit plans have been adopted by the Company and taken effect, which do not constitute share option schemes pursuant to Chapter 17 of the Listing Rules and is discretionary schemes of the Company.

### The 2018 RSU Plan

The restricted stock unit plan of 2018 (the “**2018 RSU Plan**”) of the Company was approved and adopted by the Board on 1 July 2018 (the “**Adoption Date of 2018 RSU Plan**”). Subject to any early termination as may be determined by the Board pursuant to terms of the RSU Plan, the RSU Plan shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which no awards will be granted, but the provisions of this RSU Plan shall in all other respects remain in full force and effect and the awards granted during the term of the RSU Plan may continue to be valid and exercisable in accordance with their respective terms of grant.

The total number of shares underlying the 2018 RSU Plan (“**2018 RSU Limit**”) shall not exceed the aggregate of 14,099 shares as at the date of adoption of the RSU Plan initially held by the Weimob Teamwork as transferred from a company wholly-owned by Mr. Sun Taoyong (the “**2018 Settlor**”), representing 4.12% of the issued shares of the Company as at the Adoption Date of the RSU Plan (on a fully diluted and as-converted basis assuming all the shares underlying the RSU Plan have been issued). Immediately following the completion of the capitalization issue and the global offering of the Company on 15 January 2019, the aggregate number of Shares held by the Weimob Teamwork was 70,495,000 Shares, representing approximately 3.13% of the issued Shares of the Company as at 31 December 2020. Weimob Teamwork has been appointed as the trustee (the “**2018 Trustee**”) pursuant to the trust deed to administrate the RSU Plan.

Under the 2018 RSU Plan, as at 31 December 2020, the aggregate number of Shares underlying the granted RSUs was 69,670,000 Shares, representing approximately 3.09% of the issued share capital of the Company as at 31 December 2020, and the aggregate number of Shares underlying the vested RSUs was 63,980,000 Shares. As at the date of this Offering Circular, the aggregate number of Shares underlying the granted RSUs and the aggregate number of Shares underlying the vested RSUs remained unchanged.

Details of the RSUs granted pursuant to the 2018 RSU Plan to the Director are set out below:

Name of Director	Number of Shares underlying the RSUs granted as at 31 December 2020 <sup>(1)</sup>	Approximate percentage of shareholding as at 31 December 2020 <sup>(1)</sup>	Grant date	Vesting period (subject to other conditions in the RSU Plan)
Mr. HUANG Junwei . . . . .	13,940,000	0.62%	1 July 2018	80% of which vested on 6 July 2018 10% of which vested on 1 July 2019 10% of which will vest on 1 July 2020

(1) As at the date of this Offering Circular, the number of Shares underlying the RSUs granted to Mr. Huang Junwei remained unchanged.



## The 2020 RSU Scheme

The 2020 restricted share unit scheme (the “**2020 RSU Scheme**”) of the Company was adopted by the Board on May 25, 2020 and was approved and adopted by the Shareholders at the annual general meeting of the Company held on June 29, 2020 (the “**2020 RSU Scheme Adoption Date**”). The purpose of the 2020 RSU Scheme is to recognize and reward participants for their contribution to the Group, to attract best available personnel, and to provide additional incentives to them to remain with and further promote the success of the Group’s business. Subject to any early termination as may be determined by the Board pursuant to terms of the 2020 RSU Scheme, the 2020 RSU Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which no awards will be granted, but the provisions of the 2020 RSU Scheme shall in all other respects remain in full force and effect and the awards granted during the term of the 2020 RSU Scheme may continue to be valid and exercisable in accordance with their respective terms of grant.

No Award shall be granted pursuant to the 2020 RSU Scheme if as a result of such grant (assumed accepted), the aggregate number of Shares underlying all grants made pursuant to the 2020 RSU Scheme (excluding 2020 RSU Awards that have lapsed or been cancelled in accordance with the rules of the 2020 RSU Scheme) will exceed 3% of the total issued Shares at the relevant date of Shareholders’ approval (the “**2020 RSU Mandate Limit**”). The RSU Mandate Limit may be refreshed from time to time subject to prior approval of the Shareholders, but in any event, the total number of Shares that may underlie the 2020 RSU Awards granted following the date of approval of the refreshed limit (the “**New Approval Date**”) as refreshed from time to time must not exceed 3% of the total issued Shares at the relevant date of Shareholders’ approval. Shares underlying the RSUs granted pursuant to the 2020 RSU Scheme (including those outstanding, cancelled, lapsed or vested) prior to the New Approval Date will not be counted for the purpose of determining the maximum aggregate number of Shares that may underlie the RSUs granted following the New Approval Date under the limit as renewed.

Pursuant to the RSU Scheme Annual Mandate approved by the Shareholders at the annual general meeting held on June 29, 2020, the Company is authorised to allot and issue up to 44,767,320 new Shares to satisfy the grant of 2020 RSU Awards, representing approximately 2% of the total number of the issued Shares as at the date of the annual general meeting. As disclosed in the announcement of the Company dated October 15, 2020, the Board approved the grant of 2020 RSU Awards in respect of an aggregate of 20,620,000 underlying Shares to 252 grantees for nil consideration under the 2020 RSU Scheme, which was subject to acceptance by the grantees. Due to the termination of employment, five grantees failed to accept the grant of 2020 RSU Awards in respect of an aggregate of 270,000 underlying Shares. All of the grantees are employees of the Company and none of them are Directors or other connected persons of the Company. As of December 31, 2020, the aggregate number of Shares underlying the outstanding RSUs under the 2020 RSU Scheme was 17,603,600 Shares, representing approximately 0.78% of the issued share capital of the Company as of December 31, 2020.

Category of grantee	Number of Shares underlying the RSUs outstanding			Number of Shares underlying the Vesting Period (subject to other conditions in the 2020 RSU Scheme)			Approximate percentage of shareholding as of December 31, 2020	
	as of December 31, 2019	Granted in 2020	Grant date	Vested in 2020	Lapsed in 2020	as of December 31, 2020		
Employees	-	20,350,000	October 15, 2020	2,746,400	-	17,603,600	Within four years	0.78%

## **DIVIDENDS**

As advised by our Cayman Islands legal advisor, under Cayman Islands law, a position of accumulated losses and net liabilities does not necessarily restrict the Company from declaring and paying dividends to our Shareholders out of either our profit or our share premium account, provided this would not result in the Company being unable to pay its debts as they fall due in the ordinary course of business. As we are a holding company incorporated under the laws of the Cayman Islands, the payment and amount of any future dividends will also depend on the availability of dividends received from our subsidiaries. PRC laws require that dividends be paid only out of the profit for the year calculated according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including HKFRS. Any dividends we pay will be determined at the absolute discretion of our Board, taking into account factors including our actual and expected results of operations, cash flow and financial position, general business conditions and business strategies, expected working capital requirements and future expansion plans, legal, regulatory and other contractual restrictions, and other factors that our Board deems to be appropriate. Our shareholders may approve, in a general meeting, any declaration of dividends, which must not exceed the amount recommended by our Board.

As at the date of this Offering Circular, we have not declared or paid any dividends. Currently, we do not have a fixed dividend distribution ratio.

## TERMS AND CONDITIONS OF THE BONDS

*The following, subject to amendment and save for the paragraphs in italics, are the Terms and Conditions of the Bonds, substantially as they will appear on the reverse of each of the definitive certificates evidencing the Bonds:*

The issue of the U.S.\$300,000,000 in aggregate principal amount of zero coupon guaranteed convertible bonds due 2026 (the “**Bonds**”, which term shall include, unless the context requires otherwise, any further bonds issued in accordance with Condition 15 (*Further Issues*) and consolidated and forming a single series therewith) of Weimob Investment Limited (the “**Issuer**”) was authorised by written resolutions of the sole director of the Issuer dated 24 May 2021 and the guarantee of the Bonds and the right of conversion into Shares (as defined in Condition 6(a)(v) (*Meaning of “Shares”*)) was authorised by written resolutions of the board of directors of Weimob Inc. (the “**Guarantor**”) on 24 May 2021. The Bonds are constituted by a trust deed (as amended and/or supplemented from time to time, the “**Trust Deed**”) dated 7 June 2021 (the “**Issue Date**”) made between the Issuer, the Guarantor and The Bank of New York Mellon, London Branch (the “**Trustee**”, which expression shall include all persons for the time being acting as trustee or trustees under the Trust Deed) as trustee for the holders (as defined below) of the Bonds. These terms and conditions (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. The Issuer has entered into a paying, conversion and transfer agency agreement dated 7 June 2021 (as amended and/or supplemented from time to time, the “**Agency Agreement**”) relating to the Bonds made between the Issuer, the Guarantor, the Trustee, The Bank of New York Mellon, London Branch as principal paying and conversion agent (the “**Principal Agent**”, which expression shall include any successor principal agent appointed from time to time in connection with the Bonds), The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the “**Registrar**”, which expression shall include any successor registrar appointed from time to time in connection with the Bonds), and transfer agent (the “**Transfer Agent**”, which expression shall include any additional or successor transfer agent appointed from time to time in connection with the Bonds), and the other paying, conversion and transfer agents appointed therein (each a “**Paying Agent**”, “**Conversion Agent**”, “**Transfer Agent**” and together with the Registrar and the Principal Agent, the “**Agents**”). References to the “**Principal Agent**”, “**Registrar**” and “**Agents**” below are references to the principal agent, registrar and agents for the time being for the Bonds. Unless otherwise defined, terms used in these Conditions have the meaning specified in the Trust Deed.

Copies of the Trust Deed and the Agency Agreement are available for inspection at all reasonable times during usual business hours (being between 9:00 a.m. and 3:00 p.m., Monday to Friday other than public holidays) at the specified office for the time being of the Principal Agent (being, at the time of issue of the Bonds, at One Canada Square, London E14 5AL, United Kingdom) following prior written request and proof of holding and identity to the satisfaction of the Principal Agent. The Bondholders (as defined below) are entitled to the benefit of and are bound by all provisions of the Trust Deed and are deemed to have notice of (i) all the provisions of the Trust Deed and (ii) the provisions of the Agency Agreement applicable to them.

### 1 Status and Guarantee

- (a) *Status*: The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 4(a) (*Negative Pledge*)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds and of the Guarantor under the Guarantee (as defined below) shall, save for such exceptions as may be provided by mandatory provisions of applicable law and subject to Condition 4(a) (*Negative Pledge*), at all times rank at least equally with all of their respective other present and future unsecured and unsubordinated obligations.
- (b) *Guarantee*: The due payment of all sums expressed to be payable by the Issuer and the due performance by the Issuer of its obligations under the Trust Deed and the Bonds have been unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor in that respect (the “**Guarantee**”) are contained in the Trust Deed.

## 2 Form, Denomination and Title

- (a) *Form and Denomination:* The Bonds are issued in registered form in the denomination of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof (the “**Authorised Denomination**”) without coupons attached. A bond certificate (each a “**Certificate**”) will be issued to each Bondholder in respect of its registered holding of Bonds. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Bondholders (the “**Register**”) which the Issuer will procure to be kept by the Registrar.

*Upon issue, the Bonds will be represented by the Global Certificate deposited with, and representing Bonds registered in the name of a nominee of, a common depository for Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream”). When the Bonds are represented by a Global Certificate, the Conditions are modified by certain provisions contained in the Global Certificate. See “The Global Certificate”.*

- (b) *Title:* Title to the Bonds passes only by transfer and registration in the Register as described in Condition 3 (*Transfers of Bonds; Issue of Certificates*). The holder of any Bond shall (except as otherwise required by law or ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing (other than an endorsed form of transfer) on, or the theft or loss of, the Certificate issued in respect of it) and the Trustee, the Agents and any other person shall not be liable for so treating the holder. In these Conditions, “**Bondholder**” and (in relation to a Bond) “**holder**” mean the person in whose name a Bond is registered (or in the case of a joint holding, the first named thereof).

## 3 Transfers of Bonds; Issue of Certificates

- (a) *Register:* The Issuer will cause the Register to be kept at the specified office of the Registrar outside Hong Kong and the United Kingdom and in accordance with the terms of the Agency Agreement on which shall be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers, redemptions and conversions of the Bonds. Each Bondholder shall be entitled to receive only one Certificate in respect of its entire holding of Bonds.
- (b) *Transfer:* Subject to Conditions 3(e) (*Closed Periods*) and 3(f) (*Regulations*) and the terms of the Agency Agreement, a Bond may be transferred by delivery of the Certificate issued in respect of that Bond, with the form of transfer on the back duly completed and signed by the holder or his attorney duly authorised in writing, to the specified office of either the Registrar or any of the Transfer Agents together with such evidence as the Registrar or (as the case may be) such Transfer Agent may require to prove the title of the transferor and the authority of the individuals who have executed the form of the transfer; provided, however, that a Bond may not be transferred unless the principal amount of the Bond transferred and (where not all of the Bonds held by the holder are being transferred) the principal amount of the balance of the Bonds not so transferred, is an Authorised Denomination. Where not all Bonds represented by the surrendered Certificate are the subject of the transfer, a new Certificate in respect of the balance of the Bonds will be issued to the transferor. No transfer of a Bond will be valid or effective unless and until entered on the Register.

*Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules and procedures of the relevant clearing systems.*

- (c) *Delivery of New Certificates:* Each new Certificate to be issued upon a transfer or (if applicable) conversion of Bonds will, within seven business days of receipt by the Registrar or, as the case may be, the relevant Transfer Agent of the original Certificate and the form of transfer duly completed and signed, be made available for collection at the specified office of

the Registrar or such other relevant Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Bonds (but free of charge to the holder and at the Issuer's (failing whom the Guarantor's) expense) to the address specified in the form of transfer. The Registrar will, within seven business days of receipt by the Registrar or any Transfer Agent of the documents above, register the transfer in question.

*Except in the limited circumstances described in the Global Certificate, owners of interests in the Bonds will not be entitled to receive physical delivery of Certificates.*

Where only part of the principal amount of the Bonds (being that of one or more Bonds) in respect of which a Certificate is issued is to be transferred, converted, redeemed or repurchased, a new Certificate in respect of the Bonds not so transferred, converted, redeemed or repurchased will, within seven business days of delivery of the original Certificate to the Registrar or the relevant Transfer Agent, be made available for collection at the specified office of the Registrar or such other relevant Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred, converted, redeemed or repurchased (but free of charge to the holder and at the Issuer's or the Guarantor's expense) to the address of such holder appearing on the Register.

For the purposes of this Condition 3 (*Transfers of Bonds; Issue of Certificates*) and Condition 6 (*Conversion*), "**business day**" shall mean a day other than a Saturday, Sunday or public holiday on which banks are open for business in the city in which the specified office of the Registrar (if a Certificate is deposited with it in connection with a transfer or conversion) or the Transfer Agent with whom a Certificate is deposited in connection with a transfer or conversion, is located.

- (d) *Formalities Free of Charge:* Registration of a transfer of Bonds and issuance of new Certificates will be effected, without charge to the relevant holder of such Bonds, by or on behalf of the Issuer, the Registrar or any Transfer Agents, but (i) upon payment (or the giving of such indemnity and/or security and/or pre-funding as the Issuer may reasonably require or the Registrar or the relevant Transfer Agent may require) in respect of any tax, duties or other governmental charges which may be levied or imposed in connection with such transfer or issuance and (ii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion with the documents of title or identity of the person making the application and (iii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied that Condition 3(f) (*Regulations*) has been complied with.
- (e) *Closed Periods:* No Bondholder may require the transfer of a Bond to be registered (i) during the period of 15 days ending on (and including) the dates for payment of any principal pursuant to these Conditions; (ii) after a Conversion Notice (as defined in Condition 6(b) (*Conversion Procedure*)) has been delivered with respect to a Bond; and (iii) after a Relevant Event Redemption Notice (as defined in Condition 8(e) (*Redemption for Delisting or Change of Control*)) has been deposited in respect of such Bond pursuant to Condition 8(e) (*Redemption for Delisting or Change of Control*) or after a put notice has been deposited in respect of such Bond pursuant to Condition 8(d) (*Redemption at the Option of the Bondholders*). Each such period is a "**Closed Period**".
- (f) *Regulations:* All transfers of Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of Bonds, the initial form of which is scheduled to the Agency Agreement. The regulations may be changed by the Issuer (with the prior written approval of the Registrar and the Trustee) or by the Registrar (with the prior written approval of the Trustee). A copy of the current regulations will be mailed (free of charge and at the cost of the Issuer) by the Registrar to any Bondholder upon written request and with proof of holding and identity to the satisfaction of the Registrar.

#### 4 Covenants

- (a) *Negative Pledge*: So long as any Bond remains outstanding (as defined in the Trust Deed), neither the Issuer nor the Guarantor will, and the Issuer and the Guarantor shall procure that none of their respective Principal Subsidiaries (other than any Listed Subsidiary or a Subsidiary of such Listed Subsidiary) will, create, permit to subsist or arise or have outstanding, any Encumbrance upon the whole or any part of their respective present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee of or indemnity in respect of any Relevant Indebtedness unless, at the same time or prior thereto the Bonds are secured equally and rateably (i) therewith or by the same Encumbrance or (ii) by such other security, guarantee, indemnity or other arrangement as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed).
- (b) *Notification to NDRC*: The Guarantor undertakes that it will, within 10 Registration Business Days after the Issue Date, file or cause to be filed with the National Development and Reform Commission of the PRC or its local counterparts (the “**NDRC**”) the requisite information and documents in accordance with the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知(發改外資[2015]2044號)) (the “**NDRC Circular**”) issued by the NDRC and effective as of 14 September 2015 and any implementing rules and/or regulations as issued by the NDRC from time to time (the “**NDRC Post-Issuance Filing**”).
- (c) *Notification of Submission of NDRC Post-Issuance Filing*: The Issuer shall (and the Guarantor shall procure that the Issuer will) within 10 Registration Business Days after submission of the NDRC Post-Issuance Filing, provide the Trustee with (i) a certificate (substantially in the form scheduled to the Trust Deed) in English signed by an Authorised Signatory of the Issuer confirming (A) the submission of the NDRC Post-Issuance Filing and (B) no Relevant Event, Event of Default or Potential Event of Default (as defined in the Trust Deed) has occurred; and (ii) copies of the relevant documents evidencing the NDRC Post-Issuance Filing (if any), each certified in English by an Authorised Signatory of the Issuer as a true and complete copy of the original (the items specified in (i) and (ii) together, the “**Registration Documents**”). In addition, the Issuer shall, within five Registration Business Days after the documents comprising the Registration Documents are delivered to the Trustee, give notice to the Bondholders (in accordance with Condition 16 (*Notices*)) confirming the submission of the NDRC Post-Issuance Filing.

The Trustee shall have no obligation or duty to monitor or ensure that the NDRC Post-Issuance Filing is filed with the NDRC or completed within the prescribed timeframe in accordance with these Conditions, the NDRC Circular and/or any other applicable PRC laws and regulations specified hereon or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with the NDRC Post-Issuance Filing or to give notice to the Bondholders confirming the submission of the NDRC Post-Issuance Filing, and shall not be liable to the Issuer, the Guarantor, the Bondholders or any other person for not doing so.

In these Conditions:

- (i) “**Encumbrance**” means any mortgage, charge, pledge, lien or other encumbrance or security interest securing any obligation of any person or any other arrangement with similar economic effect;
- (ii) a “**Listed Subsidiary**” of any person means any Subsidiary of such person whose ordinary shares are listed or dealt in or traded on any internationally recognised stock exchange;
- (iii) “**PRC**” means the People’s Republic of China and, for the purposes of these Conditions, except where the context requires, does not include Hong Kong Special Administrative Region of the People’s Republic of China, Macau Special Administrative Region of the People’s Republic of China and Taiwan;

(iv) **“Principal Subsidiary”** means any Subsidiary of the Guarantor:

- (A) whose revenue or (in the case of a Subsidiary which itself has Subsidiaries) consolidated revenue, as shown by its latest audited income statement are at least 5 per cent. of the consolidated revenue as shown by the latest audited consolidated income statement of the Guarantor and its Subsidiaries, taken as a whole; or
- (B) whose total assets or (in the case of a Subsidiary which itself has Subsidiaries) consolidated total assets, as shown by its latest audited balance sheet are at least 5 per cent. of the consolidated total assets of the Guarantor and its Subsidiaries as shown by the latest audited consolidated balance sheet of the Guarantor and its Subsidiaries including, for the avoidance of doubt, the investment of the Guarantor in each Subsidiary whose accounts are not consolidated with the consolidated audited accounts of the Guarantor and after adjustment for minority interests; or
- (C) to which is transferred the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, provided that (i) the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary and the Subsidiary to which the assets are so transferred shall become a Principal Subsidiary and (ii) on or after the date on which the first available audited accounts (consolidated, if appropriate) of the Guarantor prepared as of a date later than such transfer are issued, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Principal Subsidiary shall be determined on the basis of such accounts by virtue of the provisions of paragraphs (A) or (B) or (C) of this definition,

*provided that*, in relation to paragraphs (A) and (B) above of this definition:

- (I) in the case of a corporation or other business entity becoming a Subsidiary after the end of the financial period to which the latest consolidated audited accounts of the Guarantor relate, the reference to the then latest consolidated audited accounts of the Guarantor for the purposes of the calculation above shall, until consolidated audited accounts of the Guarantor for the financial period in which the relevant corporation or other business entity becomes a Subsidiary are published be deemed to be a reference to the then latest consolidated audited accounts of the Guarantor adjusted to consolidate the latest audited accounts (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary in such accounts;
- (II) if at any relevant time in relation to the Guarantor or any of its Subsidiaries which itself has Subsidiaries no consolidated accounts are prepared and audited, revenue or total assets of the Guarantor and/or any such Subsidiary shall be determined on the basis of *pro forma* consolidated accounts prepared for this purpose by the Guarantor;
- (III) if at any relevant time in relation to any Subsidiary of the Guarantor, no accounts are audited, its revenue or total assets (consolidated, if appropriate) shall be determined on the basis of *pro forma* accounts (consolidated, if appropriate) of the relevant Subsidiary prepared for this purpose by the Guarantor; and
- (IV) if the accounts of any subsidiary (not being a Subsidiary referred to in proviso (I) above) are not consolidated with those of the Guarantor, then the determination of whether or not such subsidiary is a Principal Subsidiary shall be based on a *pro forma* consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts (determined on the basis of the foregoing) of the Guarantor.

A certificate in English in substantially the form scheduled to the Trust Deed signed by an Authorised Signatory of the Guarantor, listing those entities which as at the last day of the most recent financial year of the Guarantor, or as at the date specified in such request, were, in the

opinion of the Guarantor, Principal Subsidiaries shall, if there is a dispute as to whether any Subsidiary of the Guarantor is or is not a Principal Subsidiary, be conclusive and binding on the Issuer, the Guarantor and the Bondholders in the absence of manifest error if the same is accompanied by a report by a nationally recognised firm of public accountants addressed to the Guarantor as to proper extraction of the figures used by the Guarantor in determining the Principal Subsidiaries of the Guarantor and mathematical accuracy of the calculation;

- (v) “**Registration Business Day**” means a day, other than a Saturday, Sunday or public holiday, on which commercial banks are generally open for business in Beijing, the PRC;
- (vi) “**Relevant Indebtedness**” means any future or present indebtedness incurred outside the PRC in the form of or represented by debentures, loan stock, bonds, notes, bearer participation certificates, depositary receipts, certificates of deposit or other similar securities or instruments or by bills of exchange drawn or accepted for the purpose of raising money which are, or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or on any other securities market; and
- (vii) any reference to a “**subsidiary**” or “**Subsidiary**” of any person is to (i) any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees or equivalent body of such company or other business entity or (ii) any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the laws, regulations or generally accepted accounting principles from time to time of the British Virgin Islands, the Cayman Islands or Hong Kong, should have its accounts consolidated with those of that person.

## 5 Default Interest

The Bonds are zero coupon and do not bear interest unless, upon due presentation thereof, payment of principal is improperly withheld or refused, in which event such unpaid amount will bear interest at the rate of 4.0 per cent. per annum (both before and after judgment) from the due date up to whichever is the earlier of (A) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder and (B) the day falling seven days after the Trustee or the Principal Agent has notified the Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

If interest is required to be calculated for a period of less than one year, it will be calculated on the basis of a 360-day year consisting of twelve months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

## 6 Conversion

### (a) *Conversion Right*

- (i) *Conversion Period*: Subject as hereinafter provided, the Bondholders have the right to convert their Bonds into Shares (as defined in Condition 6(a)(v) (*Meaning of “Shares”*)) at any time during the Conversion Period referred to below.

The right of a Bondholder to convert any Bond into Shares is called the “**Conversion Right**”. Subject to and upon compliance with, the provisions of this Condition 6 (*Conversion*), the Conversion Right attaching to any Bond may be exercised, at the option of the holder thereof, at any time (subject to any applicable fiscal or other laws or regulations and as hereinafter provided) on or after 18 July 2021 up to the close of business (at the place where the Certificate evidencing such Bond is deposited for



conversion) on the 10th day prior to the Maturity Date (as defined in Condition 8(a) (*Maturity*)) (both days inclusive) (but, except as provided in Condition 6(a)(iv) (*Revival and/or survival after Default*) and Condition 10 (*Events of Default*), in no event thereafter) or, if such Bond shall have been called for redemption by the Issuer before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than 15 days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof or, if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 8(d) (*Redemption at the Option of the Bondholders*) or Condition 8(e) (*Redemption for Delisting or Change of Control*), then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice (the “**Conversion Period**”).

Notwithstanding the foregoing, if the Conversion Date in respect of a Bond would otherwise fall during a period in which the register of shareholders of the Guarantor is closed generally or for the purpose of establishing entitlement to any distribution or other rights attaching to the Shares (a “**Book Closure Period**”), such Conversion Date shall be postponed to the first Stock Exchange Business Day (as defined in Condition 6(b)(i) (*Conversion Notice*)) following the expiry of such Book Closure Period.

If the Conversion Date in respect of the exercise of any Conversion Right is postponed as a result of the foregoing provision to a date that falls after the expiry of the Conversion Period or after the relevant redemption date, such Conversion Date shall be deemed to be the final day of such Conversion Period or the relevant redemption date, as the case may be.

The number of Shares to be issued on conversion of a Bond will be determined by dividing the principal amount of the Bond to be converted (translated into Hong Kong dollars at the fixed rate of HK\$7.7640 = U.S.\$1.00 (the “**Fixed Exchange Rate**”)) by the Conversion Price in effect on the relevant Conversion Date (both as hereinafter defined). A Conversion Right may only be exercised in respect of one or more Bonds.

- (ii) *Fractions of Shares*: Fractions of Shares will not be issued on conversion and no cash adjustments will be made in respect thereof. However, if the Conversion Right in respect of more than one Bond is exercised at any one time such that Shares to be issued on conversion are to be registered in the same name, the number of such Shares to be issued in respect thereof shall be calculated on the basis of the aggregate principal amount of such Bonds being so converted and rounded down to the nearest whole number of Shares. Notwithstanding the foregoing, in the event of a consolidation or re-classification of Shares by operation of law or otherwise occurring after 24 May 2021 which reduces the number of Shares outstanding, the Issuer (failing which, the Guarantor) will upon conversion of Bonds pay in cash in U.S. dollars of a sum equal to such portion of the principal amount of the Bond or Bonds evidenced by the Certificate deposited in connection with the exercise of Conversion Rights, aggregated as provided in Condition 6(a)(i) (*Conversion Period*), as corresponds to any fraction of a Share not issued as a result of such consolidation or re-classification aforesaid if such sum exceeds U.S.\$10. Any such sum shall be paid not later than five Stock Exchange Business Days after the relevant Conversion Date by transfer to a U.S. dollar account maintained by the payee, in accordance with instructions given by the relevant Bondholder in the Conversion Notice.
- (iii) *Conversion Price*: The price at which Shares will be issued upon conversion (the “**Conversion Price**”) will initially be HK\$21.00 per Share, but will be subject to adjustment in the manner provided in Condition 6(c) (*Adjustments to Conversion Price*) and/or Condition 6(d) (*Adjustment upon Change of Control*).

- (iv) *Revival and/or survival after Default*: Notwithstanding the provisions of Condition 6(a)(i) (*Conversion Period*), if (1) the Issuer or the Guarantor shall default in making payment in full in respect of any Bond which shall have been called or put for redemption on the date fixed for redemption thereof, (2) any Bond has become due and payable prior to the Maturity Date by reason of the occurrence of any of the events under Condition 10 (*Events of Default*), or (3) any Bond is not redeemed on the Maturity Date in accordance with Condition 8(a) (*Maturity*) or the applicable date for redemption in accordance with Condition 8(d) (*Redemption at the Option of the Bondholders*) or Condition 8(e) (*Redemption for Delisting or Change of Control*), the Conversion Right attaching to such Bond will revive and/or will continue to be exercisable up to, and including, the close of business (at the place where the Certificate evidencing such Bond is deposited for conversion) on the date upon which the full amount of the moneys payable in respect of such Bond has been duly received by the Principal Agent or the Trustee and notice of such receipt has been duly given to the Bondholders and notwithstanding the provisions of Condition 6(a)(i) (*Conversion Period*), any Bond in respect of which the Certificate and Conversion Notice are deposited for conversion prior to such date shall be converted on the relevant Conversion Date (as defined below) notwithstanding that the full amount of the moneys payable in respect of such Bond shall have been received by the Principal Agent or the Trustee before such Conversion Date or that the Conversion Period may have expired before such Conversion Date.
- (v) *Meaning of "Shares"*: As used in these Conditions, the expression "**Shares**" means ordinary shares with a par value of U.S.\$0.0001 each of the Guarantor or shares of any class or classes resulting from any subdivision, consolidation or re-classification of those shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Guarantor.

(b) *Conversion Procedure*

- (i) *Conversion Notice*: To exercise the Conversion Right attaching to any Bond, the holder thereof must complete, execute and deposit at his own expense from 9:00 a.m. to 3:00 p.m. on any business day at the specified office of any Conversion Agent a notice of conversion (a "**Conversion Notice**") in the form (for the time being current) obtainable from the specified office of any Conversion Agent, together with the relevant Certificate and confirmation that any amounts required to be paid by the Bondholder under Condition 6(b)(ii) (*Stamp Duty etc.*) have been so paid or, if notice requiring redemption has been given by the holder of such Bond pursuant to Condition 8(d) (*Redemption at the Option of the Bondholders*) or Condition 8(e) (*Redemption for Delisting or Change of Control*), then up to the close of business (at the place aforesaid) on the day prior to the giving of such notice. Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Conversion Agent to whom the relevant Conversion Notice is delivered is located.

The conversion date in respect of a Bond (the "**Conversion Date**") must fall at a time when the Conversion Right attaching to that Bond is expressed in these Conditions to be exercisable (subject to the provisions of Condition 6(a)(iv) (*Revival and/or survival after Default*) and Condition 10 (*Events of Default*)) and will be deemed to be the Stock Exchange Business Day immediately following the date of the surrender of the Certificate in respect of such Bond and delivery of such Conversion Notice and, if applicable, any payment to be made or indemnity given under these Conditions in connection with the exercise of such Conversion Right. A Conversion Notice deposited outside the hours specified above or on a day which is not a business day at the place of the specified office of the relevant Conversion Agent shall for all purposes be deemed to have been deposited with that Conversion Agent during the hours specified above on the next business day

following such day. Any Bondholder who deposits a Conversion Notice during a Closed Period will not be permitted to convert the Bonds into Shares (as specified in the Conversion Notice) until the next business day after the end of the Closed Period, which (if all other conditions to the exchange have been fulfilled) will be the Conversion Date for such Bonds notwithstanding that such date may fall outside the Conversion Period. A Conversion Notice once delivered shall be irrevocable and may not be withdrawn unless the Issuer consents in writing to such withdrawal. “**Stock Exchange Business Day**” means any day (other than a Saturday or Sunday) on which The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”) or the Alternative Stock Exchange (as defined in Condition 6(c) (*Adjustments to Conversion Price*) below), as the case may be, is open for securities dealing.

- (ii) *Stamp Duty etc.*: A Bondholder delivering a Certificate in respect of a Bond for conversion must pay directly to the relevant authorities any taxes and capital, stamp, issue, documentary, registration and transfer taxes and duties arising on conversion (other than any taxes or capital or stamp duties payable in the British Virgin Islands, the Cayman Islands and Hong Kong and, if relevant, in the place of the Alternative Stock Exchange, by the Issuer and the Guarantor in respect of the allotment and issue of Shares and listing of the Shares on the Hong Kong Stock Exchange or the Alternative Stock Exchange on conversion) (“**Taxes**”) and such Bondholder must pay all, if any, taxes arising by reference to any disposal or deemed disposal of a Bond in connection with such conversion. The Issuer (failing which, the Guarantor) will pay all other expenses arising on the issue of Shares on conversion of Bonds. The Bondholder must declare in the relevant Conversion Notice that any taxes payable to the relevant tax authorities pursuant to this Condition 6(b)(ii) (*Stamp Duty etc.*) have been paid. Neither the Trustee nor any Agent is under any obligation to determine whether a Bondholder is liable to pay or has paid any Taxes (including capital, stamp, issue, registration or similar taxes and duties) or the amounts payable (if any) in connection with this Condition 6(b)(ii) (*Stamp Duty etc.*).
- (iii) *Registration*: As soon as practicable, and in any event not later than ten Stock Exchange Business Days after the Conversion Date, the Guarantor will, in the case of Bonds converted on exercise of the Conversion Right and in respect of which a duly completed Conversion Notice and the relevant Certificate have been delivered and amounts payable by the relevant Bondholder as required by Conditions 6(b)(i) (*Conversion Notice*) and 6(b)(ii) (*Stamp Duty etc.*) have been paid, register the person or persons designated for the purpose in the Conversion Notice as holder(s) of the relevant number of Shares in the register of shareholders of the Guarantor and will, if the relevant Bondholder has also requested in the Conversion Notice and to the extent permitted under applicable law and the rules and procedures of the Central Clearing and Settlement System of Hong Kong (the “**CCASS**”) and the Guarantor’s share registrar effective from time to time, take all reasonable endeavours to procure that Shares are delivered through the CCASS for so long as the Shares are listed on the Hong Kong Stock Exchange; or will make such certificate or certificates available for collection at the office of the Guarantor’s share registrar in Hong Kong (being, at the time of issue of the Bonds, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong) and notified to Bondholders in accordance with Condition 16 (*Notices*) or, if so requested in the relevant Conversion Notice, will cause its share registrar to mail (at the risk, and, if sent at the request of such person otherwise than by ordinary mail, at the expense, of the person to whom such certificate or certificates are sent) such certificate or certificates to the person and at the place specified in the Conversion Notice, together (in either case) with any other securities, property or cash required to be delivered upon conversion and such assignments and other documents (if any) as may be required by law to effect the transfer thereof, in which case a single share certificate will be issued in respect of all Shares issued on conversion of Bonds subject to the same Conversion Notice and which are to be registered in the same name.

The delivery of the Shares to the converting Bondholder (or such person or persons designated in the relevant Conversion Notice) in the manner contemplated above in this Condition 6(b)(iii) (*Registration*) will be deemed to satisfy the Issuer's obligation to pay the principal and premium (if any) on such converted Bonds.

If the Conversion Date in relation to any Bond shall be on or after the record date for any issue, distribution, grant, offer or other event that gives rise to the adjustment of the Conversion Price pursuant to Condition 6(c) (*Adjustments to Conversion Price*) but before the relevant adjustment becomes effective under the relevant Condition (a "**Retroactive Adjustment**"), upon the relevant adjustment becoming effective the Guarantor shall procure the issue to the converting Bondholder (or in accordance with the instructions contained in the Conversion Notice (subject to applicable exchange control or other laws or other regulations)), such additional number of Shares ("**Additional Shares**") as is, together with Shares to be issued on conversion of the Bonds, equal to the number of Shares which would have been required to be issued on conversion of such Bond if the relevant adjustment to the Conversion Price had been made and become effective on or immediately after the relevant record date and in such event and in respect of such Additional Shares references in this Condition 6(b)(iii) (*Registration*) to the Conversion Date shall be deemed to refer to the date upon which the Retroactive Adjustment becomes effective (notwithstanding that the date upon which it becomes effective falls after the end of the Conversion Period).

The person or persons specified for that purpose in the Conversion Notice will become the holder of record of the number of Shares issuable upon conversion with effect from the date he is or they are registered as such in the register of shareholders of the Guarantor (the "**Registration Date**"). The Shares issued upon conversion of the Bonds will be fully-paid and in all respects rank *pari passu* with the Shares in issue on the relevant Registration Date. Save as set out in these Conditions, a holder of Shares issued on conversion of the Bonds shall not be entitled to any rights the record date for which precedes the relevant Registration Date.

If the record date for the payment of any dividend or other distribution in respect of the Shares is on or after the Conversion Date in respect of any Bond, but before the Registration Date (disregarding any Retroactive Adjustment of the Conversion Price referred to in this Condition 6(b)(iii) (*Registration*) prior to the time such Retroactive Adjustment shall have become effective), the Issuer will calculate and pay to the converting Bondholder or his designee an amount in U.S. dollars (the "**Equivalent Amount**") converted at the Prevailing Rate equal to the Fair Market Value (as defined below) of such dividend or other distribution to which he would have been entitled had he on that record date been such a shareholder of record and will make the payment at the same time as it makes payment of the dividend or other distribution, or as soon as practicable thereafter, but, in any event, not later than seven days thereafter. The Equivalent Amount shall be paid by transfer to a U.S. dollar account maintained by the payee with a bank, in accordance with instructions given by the relevant Bondholder in the Conversion Notice.

(c) *Adjustments to Conversion Price*: Upon the occurrence of any of the following events described below, the Conversion Price will be adjusted as follows:

- (1) *Consolidation, Subdivision, Redesignation or Reclassification*: If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation, subdivision, redesignation or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

- A is the nominal amount of one Share immediately after such alteration; and
- B is the nominal amount of one Share immediately before such alteration.

Such adjustment shall become effective on the date such consolidation, subdivision, redesignation or reclassification takes effect.

(2) *Capitalisation of Profits or Reserves:*

- (i) If and whenever the Guarantor shall issue any Shares credited as fully paid to the holders of Shares (the “**Shareholders**”) by way of capitalisation of profits or reserves (including any share premium account) including Shares paid up out of distributable profits or reserves and/or share premium account (except for any Scrip Dividend (as defined below)) and which would not have constituted a Capital Distribution (as defined below), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where:

- A is the aggregate nominal amount of the issued Shares immediately before such issue; and
- B is the aggregate nominal amount of the issued Shares immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

- (ii) In the case of an issue of Shares by way of a Scrip Dividend where the aggregate value of such Shares issued by way of Scrip Dividend as determined by reference to the Current Market Price (as defined below) per Share on the date of announcement of the terms of such Scrip Dividend exceeds the amount of the Relevant Cash Dividend (as defined below) or the relevant part thereof and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the aggregate nominal amount of the issued Shares immediately before such issue;
- B is the aggregate nominal amount of Shares issued by way of such Scrip Dividend multiplied by a fraction of which (i) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash Dividend for which Shareholders have elected to receive as Shares issued by way of Scrip Dividend and (ii) the denominator is the aggregate value of such Shares issued by way of Scrip Dividend as determined by reference to the Current Market Price per Share; and
- C is the aggregate nominal amount of Shares issued by way of such Scrip Dividend.

Such adjustment shall become effective on the date of issue of such Shares issued by way of Scrip Dividend or if a record date is fixed therefor, immediately after such record date.

- (3) *Capital Distributions*: If and whenever the Guarantor shall pay or make any Capital Distribution to the Shareholders (except to the extent that the Conversion Price falls to be adjusted under Condition 6(c)(2) (*Capitalisation of Profits or Reserves*) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price per Share on the date on which the Capital Distribution is first publicly announced; and
- B is the Fair Market Value (as defined below) of the portion of the Capital Distribution attributable to one Share.

Such adjustment shall become effective on the date that such Capital Distribution is actually made or paid or if a record date is fixed therefor, immediately after such record date. For the purpose of the above, Fair Market Value shall (subject as provided in the definition of "Fair Market Value") be determined as at the date on which the Capital Distribution is first publicly announced or, if later, the first date on which the Fair Market Value of the relevant Capital Distribution is capable of being determined as provided herein.

In making any calculation pursuant to this Condition 6(c)(3) (*Capital Distributions*), such adjustments (if any) shall be made as an Independent Financial Advisor may consider appropriate to reflect (a) any consolidation or subdivision of the Shares, (b) issues of Shares by way of capitalisation of profits or reserves, or any like or similar event, (c) the modification of any rights to dividends of Shares or (d) any change in the fiscal year of the Guarantor.

- (4) *Rights Issues of Shares or Options over Shares*: If and whenever the Guarantor shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe, purchase or otherwise acquire any Shares, in each case at less than 95 per cent. of the Current Market Price per Share on the date of the first public announcement of the terms of the issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the aggregate number of Shares in issue immediately before such announcement;
- B is the number of Shares which the aggregate consideration receivable for the Shares issued by way of rights or for the options or warrants or other rights issued or granted by way of rights and for the total number of Shares comprised therein would subscribe for, purchase or otherwise acquire at such Current Market Price per Share; and
- C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants as the case may be.

- (5) *Rights Issues of Other Securities:* If and whenever the Guarantor shall issue any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares) to all or substantially all Shareholders as a class by way of rights or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price per Share on the date on which such issue or grant is publicly announced; and

B is the Fair Market Value per Share on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants as the case may be. For the purpose of the above, Fair Market Value shall (subject as provided in the definition of "Fair Market Value") be determined as at the date on which the terms of such issue or grant are publicly announced, or if later, the first date on which the Fair Market Value of the aggregate rights attributable to the Shares in relation to such issue or grant is capable of being determined as provided herein.

- (6) *Issues at less than Current Market Price:* If and whenever the Guarantor shall issue (otherwise than as mentioned in Condition 6(c)(4) (*Rights Issues of Shares or Options over Shares*) above) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or shall issue or grant (otherwise than as mentioned in Condition 6(c)(4) (*Rights Issues of Shares or Options over Shares*) above) any options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares, in each case at a price per Share which is less than 95 per cent. of the Current Market Price per Share on the date of the first public announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{C}$$

where:

A is the aggregate number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for or purchase or otherwise acquire any Shares;

- B is the number of Shares which the aggregate consideration receivable for the issue of the maximum number of Shares to be issued or the exercise of such options, warrants or other rights would purchase at such Current Market Price per Share; and
- C is the aggregate number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue by the Guarantor of options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares, mean such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price (if applicable) on the date of issue of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the issue of such options, warrants or other rights.

- (7) *Other Issues at less than Current Market Price:* Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this Condition 6(c)(7) (*Other Issues at less than Current Market Price*), if and whenever the Guarantor or any of its Subsidiaries (otherwise than as mentioned in Conditions 6(c)(4) (*Rights Issues of Shares or Options over Shares*), 6(c)(5) (*Rights Issues of Other Securities*) or 6(c)(6) (*Issues at less than Current Market Price*)) or (at the direction or request of or pursuant to any arrangements with the Guarantor or any of its Subsidiaries) any other company, person or entity shall issue any securities (other than the Bonds) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Guarantor upon conversion, exchange or subscription at a consideration per Share which is less than 95 per cent. of the Current Market Price per Share on the date of the first public announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the aggregate number of Shares in issue immediately before such issue;
- B is the number of Shares which the aggregate consideration receivable by the Guarantor for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Share; and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate on the issue date of such securities.

Such adjustment shall become effective on the date of issue of such securities.

- (8) *Modification of Rights of Conversion etc.:* If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in Condition 6(c)(7) (*Other Issues at less than Current Market Price*) (other than in accordance with the terms of such securities) so that following such



modification the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than 95 per cent. of the Current Market Price per Share on the date of announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction.

$$\frac{A + B}{A + C}$$

where:

- A is the aggregate number of Shares in issue immediately before such modification;
- B is the maximum number of Shares which the aggregate consideration receivable by the Guarantor for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at such Current Market Price per Share or, if lower, the existing conversion, exchange or subscription price of such securities; and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an Independent Financial Advisor considers appropriate (if at all) for any previous adjustment under this Condition 6(c)(8) (*Modification of Rights of Conversion etc.*) or Condition 6(c)(7) (*Other Issues at less than Current Market Price*).

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

- (9) *Other Offers to Shareholders:* If and whenever the Guarantor or any of its Subsidiaries or (at the direction or request of or pursuant to any arrangements with the Guarantor or any of its Subsidiaries) any other company, person or entity issues, sells or distributes any securities in connection with an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under Conditions 6(c)(4) (*Rights Issues of Shares or Options over Shares*), 6(c)(5) (*Rights Issues of Other Securities*), 6(c)(6) (*Issues at less than Current Market Price*) or 6(c)(7) (*Other Issues at less than Current Market Price*)), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue, sale or distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price per Share on the date on which such issue, sale or distribution is publicly announced; and
- B is the Fair Market Value of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue, sale or distribution of the securities. For the purpose of the above, Fair Market Value shall (subject as provided in the definition of “Fair Market Value”) be determined as at the date on which the terms of such issue, sale or distribution of securities are first publicly announced or, if later, the first date on which the Fair Market Value of the portion of the aggregate rights attributable to the Shares is capable of being determined as provided herein.

- (10) *Other events*: If the Guarantor determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in this Condition 6(c) (*Adjustments to Conversion Price*), the Issuer or the Guarantor shall at its own expense consult an Independent Financial Advisor to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect and upon such determination by the Independent Financial Advisor such adjustment (if any) shall be made and shall take effect in accordance with such determination. Notwithstanding the foregoing, the per Share value of any such modification shall not exceed the per Share value of the dilution in the Shareholders’ interest in the Guarantor’s equity caused by such events or circumstances.

In this Condition 6(c) (*Adjustments to Conversion Price*), where the events or circumstances giving rise to any adjustment pursuant to any of the above adjustments under this Condition 6(c) (*Adjustments to Conversion Price*) have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this Condition 6 (*Conversion*) as may be advised by the Independent Financial Advisor to be in its opinion appropriate to give the intended result.

For the purposes of these Conditions:

“**Alternative Stock Exchange**” means at any time, in the case of the Shares, if they are not at that time listed and traded on the Hong Kong Stock Exchange, such other internationally recognised stock exchange which is the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in.

“**Capital Distribution**” means (i) the aggregate distribution of assets in specie by the Guarantor for any financial period whenever paid or made and however described (and for these purposes a distribution of assets in specie includes, without limitation, an issue of Shares or other securities credited as fully or partly paid by way of capitalisation of reserves, but excludes any Shares credited as fully paid to the extent an adjustment to the Conversion Price is made in respect thereof under Condition 6(c)(2)(i) (*Capitalisation of Profits or Reserves*) and a Scrip Dividend adjusted for under Condition 6(c)(2)(ii) (*Capitalisation of Profits or Reserves*)); and (ii) the aggregate cash dividend or distribution on a gross basis (including, without limitation, the relevant cash amount of a Scrip Dividend) of any kind by the Guarantor for any financial period (whenever paid and however described) unless it comprises a purchase or redemption of Shares by or on behalf of the Guarantor (or a purchase of Shares by or on behalf of a Subsidiary of the Guarantor), where the weighted average price or consideration (before expenses) on any one day in respect of such purchases does not exceed 105 per cent. of the Current Market Price of the Shares either (1) on that date or (2) where an announcement has been made of the intention to purchase Shares at some future date at a specified price, on the Trading Day immediately preceding the date of such announcement and, if in the case of either (1) or (2), the relevant day is not a Trading Day, the immediately preceding Trading Day.

“**Closing Price**” of the Shares for any Trading Day shall be the price published in the Daily Quotation Sheet published by the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange for such day.

**“Current Market Price”** means, in respect of a Share on a particular date, the average of the Closing Prices for one Share (being a Share carrying full entitlement to dividend) for the 20 consecutive Trading Days ending on the Trading Day immediately preceding such date; provided that if at any time during the said 20 Trading Day-period the Shares shall have been quoted ex-dividend and during some other part of that period the Shares shall have been quoted cum-dividend then:

- (i) if the Shares to be issued in such circumstances do not rank for the dividend in question, the Closing Price on the dates on which the Shares shall have been quoted cum-dividend shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share; or
- (ii) if the Shares to be issued in such circumstances rank for the dividend in question, the Closing Price on the dates on which the Shares shall have been quoted ex-dividend shall for the purpose of this definition be deemed to be the amount thereof increased by the Fair Market Value of that dividend per Share;

and provided further that if the Shares on each of the said 20 Trading Days have been quoted cum-dividend in respect of a dividend which has been declared or announced but the Shares to be issued do not rank for that dividend, the Closing Price on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that dividend per Share.

**“Fair Market Value”** means, with respect to any asset, security, option, warrant or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Independent Financial Advisor on the basis of commonly accepted market valuation method and taking into account such factors as it considers appropriate, *provided that* an Independent Financial Advisor will not be required to determine the fair market value where (i) the Capital Distribution is paid in cash, in which case the fair market value of such cash Capital Distribution per Share shall be the amount of such cash Capital Distribution per Share, (ii) any other amounts are paid in cash, in which case the fair market value of such cash amount shall be the amount of cash, and (iii) options, warrants or other rights or securities are or will upon issuance be publicly traded in a market of adequate liquidity (as determined by such Independent Financial Advisor), the fair market value of such options, warrants or other rights or securities shall equal the arithmetic mean of the daily closing price of such options, warrants or other rights or securities during the period of five trading days on the relevant market commencing on the first such trading day such options, warrants or other rights or securities are publicly traded. Such amounts, if expressed in a currency other than Hong Kong dollars shall be translated into Hong Kong dollars at the Prevailing Rate on such date. In addition, in the case of proviso (i) and (ii) above of this definition, the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax and disregarding any associated tax credit.

**“Independent Financial Advisor”** means a reputable independent financial advisor or financial institution with appropriate expertise selected by the Issuer or the Guarantor and notified in writing to the Trustee. The Trustee shall not be responsible for or under any obligation to appoint an Independent Financial Advisor and shall have no responsibility or liability for verifying any calculation, determination, certification, advice or opinion made, given or reached by it.

**“Prevailing Rate”** means, in respect of any currency on any day, the bid exchange rate between the relevant currencies prevailing as at or about 12:00 noon (Hong Kong time) on that date as appearing on or derived from the relevant page on Bloomberg or, if there is no such page, on Reuters or such other information service provider that displays the relevant information or, if such a rate cannot be determined at such time, the rate prevailing as at or about 12:00 noon (Hong Kong time) on the immediately preceding day on which such rate can be so determined.

“**Relevant Cash Dividend**” means any cash dividend specifically declared by the Guarantor.

“**Scrip Dividend**” means any Shares issued in lieu of the whole or any part of any Relevant Cash Dividend, being a dividend which the Shareholders concerned would or could otherwise have received and which would not have constituted a Capital Distribution (and for the avoidance of doubt, no adjustment is to be made under Condition 6(c)(3) (*Capital Distributions*) in respect of the amount by which the Current Market Price of the Shares exceeds the Relevant Cash Dividend or the relevant part thereof but without prejudice to any adjustment required in such circumstances to be made under Condition 6(c)(2) (*Capitalisation of Profits or Reserves*)).

“**Trading Day**” means a day when the Hong Kong Stock Exchange or, as the case may be an Alternative Stock Exchange is open for the business of dealing in securities, *provided that* if no Closing Price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have existed when ascertaining any period of dealing days.

On any adjustment, the relevant Conversion Price, if not an integral multiple of one Hong Kong cent, shall be rounded down to the nearest Hong Kong cent. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustment shall be given by the Issuer to the Bondholders in accordance with Condition 16 (*Notices*) and in writing to the Trustee and the Principal Agent as soon as practicable after the determination thereof.

Notwithstanding anything to the contrary in these Conditions, the Conversion Price may not be reduced so that, on conversion of Bonds, Shares would fall to be issued at a discount to their par value or Shares would be required to be issued in any other circumstances not permitted by applicable laws then in force in the British Virgin Islands, the Cayman Islands and Hong Kong.

If any doubt shall arise as to whether an adjustment falls to be made to the Conversion Price or as to how an adjustment to the Conversion Price under Condition 6(c) (*Adjustments to Conversion Price*) or Condition 6(d) (*Adjustment upon Change of Control*) should be made, and following consultation between the Issuer, the Guarantor and an Independent Financial Advisor, a written opinion of such Independent Financial Advisor in respect thereof shall be conclusive and binding on the Issuer, the Guarantor, the Bondholders and the Trustee, save in the case of manifest error. Where more than one event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that in the opinion of an Independent Financial Advisor, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such Independent Financial Advisor to be in its opinion appropriate in order to give such intended result.

No adjustment will be made to the Conversion Price when Shares or any rights or options on other securities are issued, offered or granted pursuant to any share option, share award, restricted share or employee incentive scheme or plan (and which such scheme or plan is in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) or, if applicable, the listing rules of an Alternative Stock Exchange) (“**Share Scheme Shares/Options**”), unless any grant or issue of Share Scheme Shares/Options (which, but for this provision, would have required adjustment pursuant to this Condition 6 (*Conversion*)) would result in the total number of Shares which may be issued upon exercise of such Share Scheme Shares/Options granted during any 12-month period up to and including the date of such grant representing, in aggregate, over 2.00 per cent. of the

average number of issued and outstanding Shares during such 12-month period, in which case only such portion of the grant or issue of Share Scheme Shares/Options that exceeds 2.00 per cent. of the average number of issued and outstanding Shares during the relevant 12-month period shall be taken into account in determining adjustment of the Conversion Price pursuant to this Condition 6 (*Conversion*).

No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation of the Shares as referred to in Condition 6(c)(1) (*Consolidation, Subdivision, Redesignation or Reclassification*). The Issuer may at any time and for a specified period of time only, following notice being given to the Trustee and the Principal Agent and to the Bondholders in accordance with Condition 16 (*Notices*), reduce the Conversion Price, subject to the other provisions of this Condition 6(c) (*Adjustments to Conversion Price*).

Neither the Trustee nor the Agents shall be under any duty to monitor whether any event or circumstance has happened or exists which may require or lead to an adjustment to be made to the Conversion Price or any calculation (or verification thereof) in connection with the Conversion Price and will not be liable or responsible to any Bondholder for any loss or liability arising from any failure by them to do so. All adjustments to the Conversion Price under Condition 6(c) (*Adjustments to Conversion Price*) shall be determined by the Issuer, the Guarantor and, if applicable, the Independent Financial Advisor, and neither the Trustee nor the Agents shall be responsible for verifying, or otherwise liable for, such determinations or for verifying any calculation, certification, advice or opinion in connection with such determinations.

- (d) *Adjustment upon Change of Control*: If a Change of Control (as defined in Condition 8(e) (*Redemption for Delisting or Change of Control*)) shall occur, the Issuer shall give notice of that fact to the Trustee and the Principal Agent and to the Bondholders (the “**Change of Control Notice**”) in accordance with Condition 16 (*Notices*) within seven days after it becomes aware of such Change of Control. Following the giving of a Change of Control Notice, upon any exercise of Conversion Rights such that the relevant Conversion Date falls within the period of 30 days following the later of (i) the relevant Change of Control and (ii) the date on which the Change of Control Notice is given to Bondholders (such period, the “**Change of Control Conversion Period**”), the Conversion Price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \frac{\text{OCP}}{1 + (\text{CP} \times \text{c}/\text{t})}$$

where:

“**NCP**” means the new Conversion Price.

“**OCP**” means the Conversion Price in effect on the relevant Conversion Date.

“**CP**” means 40.0 per cent. expressed as a fraction.

“**c**” means the number of days from and including the date the Change of Control occurs to but excluding the Maturity Date.

“**t**” means the number of days from and including the Issue Date to but excluding the Maturity Date,

provided that the Conversion Price shall not be reduced pursuant to this Condition 6(d) (*Adjustment upon Change of Control*) below the level permitted by applicable laws and regulations from time to time (if any).

If the last day of a Change of Control Conversion Period shall fall during a Closed Period, the Change of Control Conversion Period shall be extended such that its last day will be the 15th day following the last day of the Closed Period.

(e) *Undertakings*

The Guarantor has undertaken in the Trust Deed, *inter alia*, that so long as any Bond remains outstanding, save with the approval of an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders:

- (i) it will use all reasonable endeavours (a) to maintain a listing for all the issued Shares on the Hong Kong Stock Exchange, and (b) to obtain and maintain a listing for all the Shares issued on the exercise of the Conversion Rights attaching to the Bonds on the Hong Kong Stock Exchange, and (c) if the Guarantor is unable to obtain or maintain such listing, to use all reasonable endeavours to obtain and maintain a listing for all the issued Shares on an Alternative Stock Exchange as the Guarantor may from time to time select and notify to the Trustee and will forthwith give notice to the Bondholders in accordance with Condition 16 (*Notices*) of the listing or delisting of the Shares (as a class) by any of such stock exchanges;
- (ii) it will pay the expenses of the issue of, and all expenses of obtaining listing for, Shares arising on conversion of the Bonds (save for any Taxes specified in Condition 6(b)(ii) (*Stamp Duty etc.*));
- (iii) it will not make any reduction of its ordinary share capital or any uncalled liability in respect thereof or of any share premium account or capital redemption reserve fund except, in each case, where the reduction is permitted by applicable law and results in (or would, but for the provision of these Conditions relating to rounding or the carry forward of adjustments, result in) an adjustment to the Conversion Price or is otherwise taken into account for the purposes of determining whether such an adjustment should be made (and for the avoidance of doubt, shall not restrict the Guarantor from repurchasing any Shares on the Hong Kong Stock Exchange in accordance with the Listing Rules and applicable law); and
- (iv) it will use all reasonable endeavours to list and thereafter maintain the listing of the Bonds on the Hong Kong Stock Exchange and if the Issuer is unable to maintain such listing, to use all reasonable endeavours to obtain and maintain a listing on another internationally recognised stock exchange and will forthwith give notice to the Bondholders in accordance with Condition 16 (*Notices*) and in writing to the Trustee and the Principal Agent of the listing or delisting of the Bonds by any such stock exchange.

In the Trust Deed, the Guarantor has also undertaken with the Trustee that so long as any Bond remains outstanding:

- (i) it will reserve, free from any other pre-emptive or other similar rights, out of its authorised but unissued ordinary share capital the full number of Shares liable to be issued on conversion of the Bonds from time to time remaining outstanding and shall ensure that all Shares delivered on conversion of the Bonds will be duly and validly issued as fully-paid; and
- (ii) it will not make any offer, issue or distribute or take any action the effect of which would be to reduce the Conversion Price below the par value of the Shares of the Guarantor,

provided always that the Guarantor shall not be prohibited from purchasing its Shares to the full extent permitted by law.

The Issuer and the Guarantor have also given certain other undertakings in the Trust Deed for the protection of the Conversion Rights.

(f) *Notice of Change in Conversion Price*

The Issuer (failing which, the Guarantor) shall give notice to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with Condition 16 (*Notices*) of any change in the Conversion Price. Any such notice relating to a change in the Conversion Price shall set forth the event giving rise to the adjustment, the Conversion Price prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.

**7 Payments**

- (a) *Payments:* Payment of principal, Early Redemption Amount (as defined in Condition 8(c) (*Redemption at the Option of the Issuer*)), premium (if any) and default interest (if any), and any other amounts due will be made by transfer to the registered account of the Bondholder. Such payment will only be made after surrender of the relevant Certificate at the specified office of any of the Paying Agents.

*So long as the Bonds are represented by a Global Certificate and such Global Certificate is held on behalf of a clearing system, such payments will be made to the holder appearing in the Register at the close of the business day (being for this purpose a day on which Euroclear and Clearstream are open for business) before the relevant due date.*

- (b) *Registered Accounts:* For the purposes of this Condition, a Bondholder's registered account means the U.S. dollar account maintained by or on behalf of it, details of which appear on the Register at the close of business on the fifteenth business day (as defined in Condition 7(f)(*Business Day*) below) before the due date for payment, and a Bondholder's registered address means its address appearing on the Register at that time.
- (c) *Fiscal Laws:* All payments of principal, premium (if any) and default interest (if any) under the Bonds are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*) and (ii) if applicable, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 9 (*Taxation*)) any law implementing an intergovernmental approach thereto (any such withholding or deduction, a "**FATCA Withholding**"). For avoidance of doubt, neither the Issuer, the Trustee and the Agents nor any other person will be required to pay any additional amounts in respect of FATCA Withholding. No commissions or expenses shall be charged to the Bondholders in respect of such payments.
- (d) *Payment Initiation:* Payment instructions (for value on the due date or, if that is not a business day (as defined below), for value on the first following day which is a business day) will be initiated on the due date for payment (or, if that date is not a business day, on the first following day which is a business day), or, in the case of a payment of principal, if later, on the business day on which the relevant Certificate is surrendered at the specified office of an Agent.
- (e) *Delay In Payment:* Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a business day or if the Bondholder is late in surrendering its Certificate (if required to do so).

- (f) *Business Day*: In this Condition 7 (*Payments*), “**business day**” means a day other than a Saturday, Sunday or public holiday on which commercial banks are generally open for business in Hong Kong, New York City, in the city in which the specified office of the Principal Agent is located and, in the case of the surrender of a Certificate, in the city in which the specified office of the relevant Paying Agent whom a Certificate is surrendered for payment is located. If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.
- (g) *Rounding*: When making payments to Bondholders, fraction of one cent will be rounded to the nearest cent (half a cent being rounded upwards).

## 8 Redemption, Purchase and Cancellation

- (a) *Maturity*: Unless previously redeemed, converted or purchased and cancelled as provided herein, the Issuer will redeem each Bond at 105.11 per cent. of its principal amount on 7 June 2026 (the “**Maturity Date**”). The Issuer may not redeem the Bonds at its option prior to that date except as provided in Condition 8(b) (*Redemption for Taxation Reasons*) or 8(c) (*Redemption at the Option of the Issuer*) below (but without prejudice to Condition 10 (*Events of Default*)).
- (b) *Redemption for Taxation Reasons*
  - (i) The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice (a “**Tax Redemption Notice**”) to the Bondholders in accordance with Condition 16 (*Notices*) (which notice shall be irrevocable) and in writing to the Trustee and the Principal Agent, on the date specified in the Tax Redemption Notice for redemption (the “**Tax Redemption Date**”) at the Early Redemption Amount, if the Issuer satisfies the Trustee immediately prior to the giving of such notice that (1) the Issuer (or if the Guarantee was called, the Guarantor) has or will become obliged to pay Additional Tax Amounts as provided or referred to in Condition 9 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the British Virgin Islands, the Cayman Islands, Hong Kong or the PRC or in each case, any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 24 May 2021, and (2) such obligation cannot be avoided by the Issuer (or as the case may be, the Guarantor) taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer (or as the case may be, the Guarantor) would be obliged to pay such Additional Tax Amounts were a payment in respect of the Bonds then due. Prior to the publication of any Tax Redemption Notice pursuant to this Condition 8(b) (*Redemption for Taxation Reasons*), the Issuer (or as the case may be, the Guarantor) shall deliver to the Trustee (x) certificate signed by an Authorised Signatory of the Issuer (or as the case may be, the Guarantor) stating that the obligation referred to in (1) above cannot be avoided by the Issuer (or as the case may be, the Guarantor) taking reasonable measures available to it and (y) an opinion of independent legal or tax advisors of recognised standing to the effect that the Issuer (or as the case may be, the Guarantor) has or would become obligated to pay such Additional Tax Amounts as a result of such change or amendment referred to above in this Condition 8(b)(i) (*Redemption for Taxation Reasons*). The Trustee shall be entitled to rely upon and accept such certificate and opinion (without further investigation or enquiry) as sufficient evidence thereof in which event it shall be conclusive and binding on the Issuer, the Guarantor and the Bondholders.



On the Tax Redemption Date, the Issuer will be bound to redeem the Bonds at the Early Redemption Amount, provided that redemption under this Condition 8(b)(i) (*Redemption for Taxation Reasons*) may not occur within seven days of the end of a Closed Period, but otherwise may occur when the Conversion Right is expressed in these Conditions to be exercisable.

- (ii) If the Issuer gives a Tax Redemption Notice pursuant to Condition 8(b)(i) (*Redemption for Taxation Reasons*), each Bondholder will have the right to elect that its Bond(s) shall not be redeemed and that the provisions of Condition 9 (*Taxation*) shall not apply in respect of any payment of principal, Early Redemption Amount, premium (if any) or default interest (if any) to be made in respect of such Bond(s) which falls due after the relevant Tax Redemption Date, whereupon no additional amounts shall be payable by the Issuer in respect thereof pursuant to Condition 9 (*Taxation*) and payment of all amounts by the Issuer to such Bondholder in respect of such Bond shall be made subject to the deduction or withholding of any tax required to be deducted or withheld. To exercise a right pursuant to this Condition 8(b)(ii) (*Redemption for Taxation Reasons*), the holder of the relevant Bond must complete, sign and deposit during normal business hours (being between 9:00 a.m. and 3:00 p.m. (in the location of the specified office of the relevant Paying Agent)) at the specified office of any Paying Agent a duly completed and signed notice of exercise, in the form for the time being current, obtainable from the specified office of any Paying Agent (the “**Tax Option Exercise Notice**”) together with the Certificate evidencing the Bonds on or before the day falling 10 days prior to the Tax Redemption Date. A Tax Option Redemption Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer’s consent.

(c) *Redemption at the Option of the Issuer*

On giving not less than 30 nor more than 60 days’ notice to the Principal Agent and the Trustee in writing and to the Bondholders in accordance with Condition 16 (*Notices*) (which notice will be irrevocable), the Issuer:

- (i) may at any time after 21 June 2024 and prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at the Early Redemption Amount, provided that the Closing Price of the Shares (derived from the Daily Quotations Sheet of the Hong Kong Stock Exchange or, as the case may be, the equivalent quotation sheet of an Alternative Stock Exchange and translated into U.S. dollars at the Prevailing Rate) for each of 20 out of 30 consecutive Trading Days, the last of which occurs not more than five Trading Days prior to the date upon which notice of such redemption, is published was at least 130 per cent. of the applicable Early Redemption Amount for each Bond divided by the Conversion Ratio (as defined below) then applicable; or
- (ii) may at any time prior to the Maturity Date redeem in whole, but not in part, the Bonds for the time being outstanding at the Early Redemption Amount, provided that prior to the date of such notice at least 90 per cent. in principal amount of the Bonds originally issued has already been converted, redeemed or purchased and cancelled.

If there shall occur an event giving rise to a change in the Conversion Price during any such 30 Trading Day period, appropriate adjustments for the relevant days shall be made, as determined by an Independent Financial Advisor, for the purpose of calculating the Closing Price for such days. Neither the Trustee nor the Agents shall be responsible for verifying, or otherwise liable for, such determinations or calculation of the Closing Price or for verifying any calculation, certification, advice or opinion in connection with such determinations or calculation.

Redemption under this Condition 8(c) (*Redemption at the Option of the Issuer*) may not occur within seven days of the end of a Closed Period but otherwise may occur when the Conversion Right is expressed in these Conditions to be exercisable.

For the purposes of these Conditions:

the “**Early Redemption Amount**” of a Bond, for each U.S.\$200,000 principal amount of the Bonds, is the amount determined to represent for the Bondholder on the relevant date for determination of the Early Redemption Amount (the “**Determination Date**”) a gross yield of 1.0 per cent. per annum calculated on a semi-annual basis. The applicable Early Redemption Amount for each U.S.\$200,000 principal amount of Bonds is calculated in accordance with the following formula, rounded (if necessary) to two decimal places with 0.005 being rounded upwards (provided that if the date fixed for redemption is a Semi-annual Date (as set out below), such Early Redemption Amount shall be as set out in the table below in respect of such Semi-annual Date):

$$\text{Early Redemption Amount} = \text{Previous Redemption Amount} \times (1 + r/2)^{d/p}$$

Previous Redemption Amount = the Early Redemption Amount for each U.S.\$200,000 principal amount on the Semi-annual Date immediately preceding the date fixed for redemption as set out below (or if the Bonds are to be redeemed prior to 7 December 2021, U.S.\$200,000):

<b>Semi-annual Date</b>	<b>Early Redemption Amount</b>
	<i>(U.S.\$)</i>
7 December 2021 . . . . .	201,000.00
7 June 2022 . . . . .	202,005.00
7 December 2022 . . . . .	203,015.03
7 June 2023 . . . . .	204,030.10
7 December 2023 . . . . .	205,050.25
7 June 2024 . . . . .	206,075.50
7 December 2024 . . . . .	207,105.88
7 June 2025 . . . . .	208,141.41
7 December 2025 . . . . .	209,182.12

r = 1.0 per cent. expressed as a fraction.

d = number of days from and including the immediately preceding Semi-annual Date (or if the Bonds are to be redeemed on or before 7 December 2021, from and including the Issue Date) to, but excluding, the date fixed for redemption, calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed.

p = 180.

“**Conversion Ratio**” is equal to the principal amount of each Bond divided by the Conversion Price (translated into U.S. dollars at the Fixed Exchange Rate) then in effect immediately prior to the date upon which notice of such redemption is given.

- (d) *Redemption at the Option of the Bondholders:* The Issuer will, at the option of the holder of any Bond redeem all or some only of such holder’s Bonds on 7 June 2024 (the “**Put Option Date**”) at 103.04 per cent. of their principal amount. To exercise such option, the holder must deposit at the specified office of any Paying Agent a duly completed and signed put notice in the form for the time being current, obtainable from the specified office of any Paying Agent, together with the Certificate evidencing the Bonds to be redeemed not more than 60 days and not less than 30 days prior to the Put Option Date.

A put notice, once delivered, shall be irrevocable (and may not be withdrawn unless the Issuer consents to such withdrawal) and the Issuer shall redeem the Bonds the subject of the put notices delivered as aforesaid on the Put Option Date.

- (e) *Redemption for Delisting or Change of Control*: Following the occurrence of a Relevant Event (as defined below), the holder of each Bond will have the right at such holder's option, to require the Issuer to redeem all or some only of such holder's Bonds on the Relevant Event Redemption Date (as defined below) at the Early Redemption Amount. To exercise such right, the holder of the relevant Bond must deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent, specifying the number of Bonds to be redeemed and the Relevant Event that has occurred ("**Relevant Event Redemption Notice**"), together with the Certificate evidencing the Bonds to be redeemed by not later than 60 days following a Relevant Event, or, if later, 60 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 16 (*Notices*). The "**Relevant Event Redemption Date**" shall be the 14th day after the expiry of such period of 60 days as referred to above.

A Relevant Event Redemption Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's consent and the Issuer shall redeem the Bonds the subject of the Relevant Event Redemption Notice as aforesaid on the Relevant Event Redemption Date. The Issuer shall give notice to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with Condition 16 (*Notices*) by not later than 14 days following the first day on which it becomes aware of the occurrence of a Relevant Event, which notice shall specify the procedure for exercise by the Bondholders of their rights to require redemption of the Bonds pursuant to this Condition 8(e) (*Redemption for Delisting or Change of Control*) and shall give brief details of the Relevant Event.

Neither the Trustee nor the Agents shall be required to monitor or take any steps to ascertain whether a Relevant Event or any event which could lead to a Relevant Event has occurred or may occur and shall be entitled to assume that no such event has occurred until they have received written notice to the contrary from the Issuer. The Trustee and the Agents shall not be required to take any steps to ascertain whether the condition for the exercise of the rights in accordance with this Condition 8(e) (*Redemption for Delisting or Change of Control*) has occurred. Neither the Trustee nor the Agents shall be responsible for determining or verifying whether a Bond is to be accepted for redemption under this Condition 8(e) (*Redemption for Delisting or Change of Control*) and will not be responsible to the Issuer, the Guarantor or any Bondholder for any loss or liability arising from any failure by them to do so. Neither the Trustee nor the Agents shall be under any duty to determine, calculate or verify the redemption amount payable under this Condition 8(e) (*Redemption for Delisting or Change of Control*) and will not be responsible or liable to any Bondholder for any loss or liability arising from any failure by it to do so.

For the purposes of this Condition 8(e) (*Redemption for Delisting or Change of Control*):

**"Change of Control"** means the occurrence of one or more of the following events:

- (i) the Permitted Holders together cease to own (directly or indirectly, and which ownership shall include, for the avoidance of doubt, any shares loaned pursuant to the stock borrowing and lending agreements dated 6 May 2020 entered into between Credit Suisse (Hong Kong) Limited and each of Yomi.sun Holding Limited, Alter.You Holding Limited and Jeff.Fang Holding Limited) at least 12.0 per cent. of the issued share capital of the Guarantor;
- (ii) the Permitted Holders together cease to be the single largest holder of Voting Rights in the Guarantor;

- (iii) any Person or Persons acting together (other than the Permitted Holders) acquires Control of the Guarantor;
- (iv) the Guarantor consolidates with or merges into or sells or transfers all or substantially all of the Guarantor's assets to any other person, unless the consolidation, merger, sale or transfer will not result in the other person or persons (other than the Permitted Holders) acquiring Control over the Guarantor or the successor entity; or
- (v) the Guarantor ceases to hold (directly or indirectly) 100 per cent. of the issued shares of the Issuer;

“**Control**” means (i) the right to appoint and/or remove all or the majority of the members of the relevant entity's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of Voting Rights, contract or otherwise; or (ii) the acquisition or control of more than 50 per cent. of the Voting Rights of the issued share capital of the relevant entity;

“**Permitted Holders**” means the aggregate shareholding of Mr. Sun Taoyong, Mr. Fang Tongshu, Mr. You Fengchun and Tencent Holdings Limited and:

- (i) any heir, estate, lineal descendant (or spouse thereof), spouse or parent of any of Mr. Sun Taoyong, Mr. Fang Tongshu or Mr. You Fengchun; or
- (ii) any trust, corporation, partnership or other entity, of which the direct or indirect beneficiaries, equity holders, partners or owners are any of Mr. Sun Taoyong, Mr. Fang Tongshu, Mr. You Fengchun or Tencent Holdings Limited and/or such other Persons referred to in paragraph (i) above;

a “**Person**” includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the (i) the Guarantor's board of directors or any other governing board or (ii) the Guarantor's wholly-owned direct or indirect subsidiaries;

a “**Relevant Event**” occurs:

- (i) when the Shares cease to be listed or admitted to trading or suspended for trading for a period equal to or exceeding 45 consecutive Trading Days on the Hong Kong Stock Exchange or, if applicable, the Alternative Stock Exchange (a “**Delisting**”); or
- (ii) when there is a Change of Control; and

“**Voting Rights**” means the right generally to vote at a general meeting of shareholders of the Guarantor (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have, voting power by reason of the happening of any contingency).

- (f) *Purchase*: Each of the Issuer, the Guarantor and any of their respective Subsidiaries may at any time and from time to time purchase Bonds at any price in the open market or otherwise.
- (g) *Cancellation*: All Bonds which are redeemed, converted or purchased by the Issuer, the Guarantor or any of their respective Subsidiaries, will forthwith be cancelled. Certificates in respect of all Bonds cancelled will be forwarded to or to the order of the Registrar and such Bonds may not be reissued or resold.
- (h) *Redemption Notices*: All notices to Bondholders given by or on behalf of the Issuer pursuant to this Condition 8 (*Redemption, Purchase and Cancellation*) will be irrevocable and will be given in accordance with Condition 16 (*Notices*) specifying: (i) the Conversion Price as at the

date of the relevant notice, (ii) the last day on which the Conversion Rights may be exercised, (iii) the Closing Price of the Shares as at the latest practicable date prior to the publication of the notice, (iv) the Early Redemption Amount, (v) the date for redemption, (vi) the manner in which redemption will be effected and (vii) the aggregate principal amount of the Bonds outstanding as at the latest practicable date prior to the publication of the notice.

If more than one notice of redemption is given (being a notice given by either the Issuer or a Bondholder pursuant to this Condition 8 (*Redemption, Purchase and Cancellation*)), the first in time shall prevail. Neither the Trustee nor the Agents shall be responsible for calculating or verifying any calculations of any amounts payable under these Conditions.

Neither the Trustee nor the Agents shall be responsible for determining or verifying whether a Bond is to be accepted for redemption under this Condition and will not be responsible to Bondholders for any loss or liability arising from any failure by them to do so. Neither the Trustee nor the Agents shall be under any duty to determine, calculate or verify the redemption amount payable under these Conditions, and none of them will be liable or responsible to any Bondholder for any loss or liability arising from any failure by them to do so.

## 9 Taxation

All payments made by the Issuer (or, as the case may be, the Guarantor) under or in respect of the Bonds (or, in the case of the Guarantor, the Guarantee), the Trust Deed or the Agency Agreement will be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied, collected, withheld or assessed by or on behalf of the British Virgin Islands, the Cayman Islands, Hong Kong, the PRC or, in each case, any authority thereof or therein having power to tax, unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by law.

Where such withholding or deduction is made by the Issuer (or, as the case may be, the Guarantor) by or within the PRC up to and including the aggregate rate applicable on 24 May 2021 (the “**Applicable Rate**”), the Issuer (or, as the case may be, the Guarantor) will increase the amounts paid by it to the extent required, so that the net amount received by Bondholders equals the amounts which would otherwise have been receivable by them had no such withholding or deduction been required.

If the Issuer (or, as the case may be, the Guarantor) is required to make a deduction or withholding (a) by or within the PRC in excess of the Applicable Rate, or (b) by or within the British Virgin Islands, the Cayman Islands or Hong Kong, the Issuer (or, as the case may be, the Guarantor) will pay such additional amounts (the “**Additional Tax Amounts**”) as will result in the receipt by the Bondholders of the net amounts after such deduction or withholding equal to the amounts which would otherwise have been receivable by them had no such deduction or withholding been required except that no Additional Tax Amounts shall be payable in respect of any Bond:

- (a) *Other connection*: to a holder (or to a third party on behalf of a holder) who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the British Virgin Islands, the Cayman Islands, Hong Kong or the PRC otherwise than merely by holding the Bond or by the receipt of amounts in respect of the Bond; or
- (b) *Presentation more than 30 days after the relevant date*: (in the case of a payment of principal) if the Certificate in respect of such Bond is surrendered more than 30 days after the relevant date except to the extent that the holder would have been entitled to such Additional Tax Amount on surrendering the relevant Certificate for payment on the last day of such period of 30 days.

For the purposes hereof, “**relevant date**” means whichever is the later of (1) the date on which such payment first becomes due and (2) if the full amount payable has not been received by the Trustee or the Principal Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders and payment made.

References in these Conditions to principal, premium (if any), default interest (if any) and any other amount payable in respect of the Bonds shall be deemed also to refer to any additional amounts which may be payable under this Condition 9 (*Taxation*) or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Trust Deed.

Neither the Trustee nor any Agent shall be responsible for paying any taxes, duties, assessments, governmental charges or other payment referred to in this Condition 9 (*Taxation*) or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, the Guarantor, any Bondholder or any other person to pay such taxes, duties, assessments, governmental charges or other payment in any jurisdiction or to provide any notice or information that would permit, enable or facilitate the payment of any principal or other amount under or in respect of the Bonds or the Guarantee without deduction or withholding for or on account of any taxes, duties, assessments, governmental charges or other payment imposed by or in any jurisdiction.

## 10 Events of Default

If any of the following events (each an “**Event of Default**”) occurs, the Trustee at its sole discretion may, and if so requested in writing by the holders of not less than 25 per cent. in aggregate principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution, shall, (subject in either case to being indemnified and/or secured and/or pre-funded by the holders to its satisfaction) give notice to the Issuer and the Guarantor that the Bonds are, and they shall immediately become due and repayable at the Early Redemption Amount, together with any premium, default interest or other amounts unpaid (if any) (subject as provided below and without prejudice to the right of Bondholders to exercise the Conversion Right in respect of their Bonds in accordance with Condition 6 (*Conversion*)) if:

- (a) *Non-Payment of principal or premium*: a default is made in the payment of any principal or premium (if any) due in respect of the Bonds;
- (b) *Breach of Other Obligations*: the Issuer or the Guarantor does not perform or comply with one or more of its other obligations in the Bonds or the Trust Deed which default is in the opinion of the Trustee incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 45 days after written notice of such default shall have been given to the Issuer by the Trustee;
- (c) *Failure to deliver Shares*: any failure by the Guarantor to deliver any Shares as and when the Shares are required to be delivered following conversion of Bonds;
- (d) *Insolvency*: the Issuer, the Guarantor or any of their respective Principal Subsidiaries is (or is, or could be, deemed by law or a court to be) insolvent (which shall, for the avoidance of doubt, exclude any voluntary solvent winding up or reorganisation of any Subsidiary of the Issuer or the Guarantor (other than the Issuer)) or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of its debts (or of a material part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or a material part of the debts of the Issuer, the Guarantor or any of their respective Principal Subsidiaries; an administrator or liquidator of the Issuer, the Guarantor or any of their respective Principal Subsidiaries or the whole or a material part of the assets and turnover of the Issuer, the Guarantor or any of their respective Principal Subsidiaries is appointed (or application for any such appointment is made);

- (e) *Cross-Default*: (i) any other present or future indebtedness (whether actual or contingent) of the Issuer, the Guarantor or any of its respective Subsidiaries for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Issuer, the Guarantor or any of its respective Subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 10(e) (*Cross-Default*) have occurred equals or exceeds U.S.\$15,000,000 or its equivalent in any other currency (as reasonably determined on the basis of the middle spot rate for the relevant currency against the U.S. dollar as quoted by any leading bank) on the day on which such indebtedness becomes due and payable or is not paid or any such amount becomes due and payable or is not paid under any such guarantee or indemnity;
- (f) *Enforcement Proceedings*: a distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenue of the Issuer, the Guarantor or any of the Principal Subsidiaries and is not discharged or stayed within 45 days;
- (g) *Winding-up*: an order is made or an effective resolution passed for the liquidation, winding-up or dissolution, judicial management or administration of the Issuer, the Guarantor or any Principal Subsidiary, or the Issuer, the Guarantor or any Principal Subsidiary ceases or threatens to cease to carry on all or a substantial part of its business or operations, except in the case of any Principal Subsidiary, for the purpose of and followed by a solvent winding-up, reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Bondholders, or (ii) in the case of a Principal Subsidiary, whereby the undertaking and assets of such Subsidiary are transferred to or otherwise vested in the Issuer, the Guarantor or another of their respective Subsidiaries, whether due to a disposal of such Principal Subsidiary on an arm's length basis or otherwise;
- (h) *Security Enforced*: an encumbrancer or a secured party takes possession or an administrative or other receiver or an administrator or other similar officer is appointed of the whole or a material part of the property, assets or revenue of the Issuer, the Guarantor or any of their respective Subsidiaries (as the case may be) and is not discharged within 45 days;
- (i) *Nationalisation*: (i) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Issuer, the Guarantor or any of their respective Subsidiaries or (ii) the Issuer, the Guarantor or any of its respective Subsidiaries is prevented from exercising normal control over all or a material part of its property, assets and revenue;
- (j) *Authorisation and Consents*: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer or the Guarantor lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds and the Trust Deed, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Bonds and the Trust Deed admissible in evidence in the courts of the British Virgin Islands, the Cayman Islands or Hong Kong is not taken, fulfilled or done;
- (k) *Guarantee*: the Guarantee is not (or is claimed in writing by the Guarantor not to be) in full force or effect;
- (l) *Illegality*: it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any one or more of its obligations under any of the Bonds or the Trust Deed; or

- (m) *Analogous Events*: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in Conditions 10(d) (*Insolvency*), 10(f) (*Enforcement Proceedings*), 10(g) (*Winding-up*) and 10(h) (*Security Enforced*).

Neither the Trustee nor any of the Agents shall be responsible for the performance by the Issuer, the Guarantor and any other person appointed by the Issuer or the Guarantor in relation to the Bonds of the duties and obligations on their part expressed in respect of the same and the Trustee and the Agents need not do anything to ascertain or monitor whether a Potential Event of Default or Event of Default has occurred or is continuing and will not be responsible to the Issuer, the Guarantor, any Bondholder or any other person for any loss or liability arising from any failure by them to do so, and unless the Trustee or such an Agent (as the case may be) has received written notice from the Issuer or the Guarantor to the contrary, the Trustee and each Agent shall assume that the same are being duly performed.

## **11 Prescription**

Claims in respect of amounts due in respect of the Bonds will become prescribed unless made within 10 years (in the case of principal or other sums payable hereunder) and five years (in the case of default interest) from the relevant date (as defined in Condition 9 (*Taxation*)) in respect thereof.

## **12 Enforcement**

At any time after the Bonds have become due and repayable, the Trustee may, at its discretion and without further notice, take such actions and/or steps and/or institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce repayment of the Bonds and to enforce the provisions of the Trust Deed, but it will not be bound to take any such actions and/or steps and/or institute any such proceedings unless (a) it shall have been so requested in writing by the holders of not less than 25 per cent. in principal amount of the Bonds then outstanding or shall have been so directed by an Extraordinary Resolution of the Bondholders and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Bondholder will be entitled to proceed directly against the Issuer and/or the Guarantor unless the Trustee, having become bound to do so, fails to do so within a reasonable period and such failure shall be continuing.

## **13 Meetings of Bondholders, Modification and Waiver**

- (a) *Meetings*: The Trust Deed contains provisions for convening meetings of Bondholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Bonds or the provisions of the Trust Deed. Such a meeting may be convened by the Issuer, the Guarantor or the Trustee and shall be convened by the Trustee if it receives a written request from Bondholders holding not less than 10 per cent. in aggregate principal amount of the Bonds for the time being outstanding and is indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing more than 50 per cent. in aggregate principal amount of the Bonds for the time being outstanding or, at any adjourned such meeting, two or more persons being or representing Bondholders whatever the principal amount of the Bonds so held or represented unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the due date for any payment in respect of the Bonds, (ii) to reduce or cancel the amount of principal, premium or Equivalent Amount payable in respect of the Bonds, (iii) to change the currency of payment of the Bonds, (iv) to modify (except by a unilateral and unconditional reduction in the Conversion Price) or cancel the Conversion Rights, or (v) to modify or cancel the Guarantee (other than as provided in Condition 13(b) (*Modification and Waiver*)) or (vi) to modify the provisions concerning the quorum required at any meeting of the Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 66 2/3 per cent., or at any adjourned such meeting not less than 33 per cent., in



aggregate principal amount of the Bonds for the time being outstanding. An Extraordinary Resolution passed at any meeting of Bondholders will be binding on all Bondholders, whether or not they are present at the meeting. The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90 per cent. of the aggregate principal amount of Bonds outstanding shall, in any such case, be as valid and effective as a duly passed Extraordinary Resolution.

- (b) *Modification and Waiver:* The Trustee may (but shall not be obliged to) agree to, without the consent of the Bondholders, (i) any modification (except as mentioned in the Trust Deed) to, or any waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed and the Agency Agreement, provided that such modification, waiver or authorisation is not, in the opinion of the Trustee, materially prejudicial to the interests of the Bondholders, or (ii) any modification to any of these Conditions or any of the provisions of the Trust Deed and the Agency Agreement that, in the opinion of the Trustee, is of a formal, minor or technical nature or to correct a manifest error or to comply with any mandatory provisions of applicable law. The Trustee may (but shall not be obliged to), without the consent of the Bondholders, determine any Event of Default or a Potential Event of Default should not be treated as such, provided that, in the opinion of the Trustee, the interests of the Bondholders will not be materially prejudiced thereby. Any such modification, authorisation or waiver shall be binding on the Bondholders and, unless the Trustee agrees otherwise, such modification, authorisation or waiver shall be notified by the Issuer to the Bondholders promptly in accordance with Condition 16 (*Notices*).

In the event of the passing of an Extraordinary Resolution in accordance with Condition 13(a) (*Meetings*) or a modification, waiver or authorisation in accordance with Condition 13(b) (*Modification and Waiver*), the Issuer will procure that the Bondholders be notified in accordance with Condition 16 (*Notices*).

- (c) *Directions from Bondholders:* Neither the Trustee nor the Agents shall be liable to the Issuer, the Guarantor, any Bondholder or any other person for any action taken by the Trustee or such Agent in accordance with any instruction, direction, request or resolution of the Bondholders. The Trustee shall be entitled to rely on any instruction, direction, request or resolution of Bondholders given by holders of the requisite principal amount of Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed. Whenever the Trustee is required or entitled by the terms of the Trust Deed or these Conditions to exercise any discretion, right or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion, right or power, taking any such action, making any such decision, or giving any such direction, to seek directions from the Bondholders by way of an Extraordinary Resolution, and the Trustee is not responsible for any loss or liability incurred by the Issuer, the Guarantor, any Bondholder or any other person as a result of any delay in it exercising such discretion, right or power, taking such action, making such decision, or giving such direction where the Trustee is seeking such directions or in the event that such directions are not being given. The Trustee shall not be under any obligation to monitor compliance of any person with the provisions of the Trust Deed or these Conditions.
- (d) *Certificates/Reports:* Any certificate, report, opinion or advice of any expert, professional advisor (including the Independent Financial Advisor) or other person called for by or provided to the Trustee (whether or not obtained by or addressed to the Trustee) in accordance with or for the purposes of these Conditions or the Trust Deed may be relied upon by the Trustee as sufficient evidence of the facts therein (and shall, in absence of manifest error, be conclusive and binding on all parties) notwithstanding that such certificate, report, opinion or advice and/or engagement letter or other document entered into by the Trustee, an Agent, the Issuer and/or the Guarantor in connection therewith contains a monetary or other limit on the liability of the relevant expert or person in respect thereof.

- (e) *Entitlement of the Trustee:* In connection with the exercise of its functions, rights, powers and/or discretions (including but not limited to those referred to in this Condition 13 (*Meetings of Bondholders, Modification and Waiver*)) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer, the Guarantor or the Trustee any indemnification or payment in respect of any tax consequences of any such exercise upon individual Bondholders.

#### **14 Replacement of Certificates**

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence (including proof of holding and identity to the satisfaction of the Registrar) and indemnity, security and/or pre-funding as the Issuer and the Registrar may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

#### **15 Further Issues**

The Issuer may from time to time, without the consent of the Bondholders, create and issue further bonds having the same terms and conditions as the Bonds in all respects (or in all respects except for the issue date and the timing for complying with the requirements set out in these Conditions in relation to the NDRC Post-Issuance Filing) and so that such further issue shall be consolidated and form a single series with the Bonds. Such further bonds may, with the consent of the Trustee, be constituted by a deed supplemental to the Trust Deed.

#### **16 Notices**

All notices to Bondholders shall be validly given if mailed to them at their respective addresses in the Register maintained by the Registrar or published in a leading newspaper having general circulation in Asia (which is expected to be the Asian Wall Street Journal). Any such notice shall be deemed to have been given on the later of the date(s) of such publication(s) and the seventh day after being so mailed, as the case may be.

*So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or an Alternative Clearing System, notices to Bondholders may be given by delivery of the relevant notice to Euroclear or Clearstream or such Alternative Clearing System, for communication by it to entitled account holders in substitution for notification as required by these Conditions.*

#### **17 Agents**

The names of the initial Agents and their specified offices are set out below. The Issuer and the Guarantor reserve the right, subject to the prior written approval of the Trustee, at any time to vary or terminate the appointment of any Agent and to appoint any additional or replacement Agent. The Issuer will at all times maintain (a) a Principal Agent, (b) a Registrar which will maintain the Register outside Hong Kong and the United Kingdom and (c) a Transfer Agent. Notice of any such termination or appointment, of any changes in the specified offices of any Agent and of any change in the identity of any Agent will be given promptly by the Issuer to the Bondholders.

#### **18 Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification, on an after tax basis, of the Trustee and for its relief from responsibility, including without limitation provisions relieving it from taking actions or proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction.

The Trustee is entitled to (a) enter into business transactions with the Issuer, the Guarantor and any entity relating to the Guarantor and to act as trustee, agent, depository and/or custodian for the holders of any other securities issued or guaranteed by, or relating to, the Issuer, the Guarantor and any entity relating to the Guarantor, (b) exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Bondholders, and (c) retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

The Trustee may rely conclusively without liability to Bondholders, the Issuer, the Guarantor or any other person on any report, information, confirmation or certificate from or any opinion or advice of any accountants, auditors, lawyers, valuers, auctioneers, surveyors, brokers, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, information, confirmation, certificate, opinion or advice, in which case such report, information, confirmation, certificate, opinion or advice shall be binding on the Issuer, the Guarantor and the Bondholders.

Each Bondholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the Issuer and the Guarantor, and the Trustee shall not at any time have any responsibility or liability for the same and each Bondholder shall not rely on the Trustee in respect thereof.

## **19 Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Bonds or any provision of the Trust Deed under the Contracts (Rights of Third Parties) Act 1999 except as contemplated in Condition 12 (*Enforcement*) and to the extent expressly provided for.

## **20 Governing Law and Submission to Jurisdiction**

- (a) *Governing law*: The Bonds, the Trust Deed and the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of England.
- (b) *Jurisdiction*: The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Bonds, the Trust Deed and the Agency Agreement and any non-contractual obligations arising out of or in connection with them and accordingly any legal action or proceedings arising out of or in connection with the Bonds, the Trust Deed and the Agency Agreement (“**Proceedings**”) may be brought in such courts. Pursuant to the Trust Deed, each of the Issuer and the Guarantor has irrevocably submitted to the jurisdiction of such courts and waived any objections to Proceedings in any such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.
- (c) *Agent for service of process*: The Issuer has irrevocably appointed the Guarantor as its agent in Hong Kong to receive service of process in any Proceedings in Hong Kong. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason the Guarantor shall cease to be such agent for service of process or no longer has an address in Hong Kong, each of the Issuer and the Guarantor shall promptly notify the Trustee and irrevocably agrees to appoint a substitute process agent in Hong Kong and to notify the Trustee of the acceptance by such substitute process agent of its appointment. Nothing herein or in the Trust Deed shall affect the right to serve process in any other manner permitted by law.

## MARKET PRICE INFORMATION

The Shares have been listed on the Main Board of the Hong Kong Stock Exchange since 15 January 2019. The following table sets out the high, low and average closing prices and the average daily trading volume of the Shares for the periods indicated.

	Closing price			Daily average trading volume  (000's)
	High	Low  (HK\$)	End of Period Average	
<b>2019</b>				
First Quarter . . . . .	4.48	2.44	3.354	7,554.360
Second Quarter . . . . .	6.41	4.04	5.233	10,320.221
Third Quarter . . . . .	5.40	3.22	4.291	16,857.581
Fourth Quarter . . . . .	3.94	3.08	3.554	6,431.284
<b>2020</b>				
First Quarter . . . . .	6.18	3.39	4.727	57,456.472
Second Quarter . . . . .	10.12	4.82	7.042	78,206.130
Third Quarter . . . . .	13.68	8.14	10.867	73,664.864
Fourth Quarter . . . . .	13.94	9.77	11.113	34,542.728
<b>2021</b>				
First Quarter . . . . .	33.00	15.26	22.121	64,060.644

Source: Bloomberg

## EXCHANGE RATES

### THE PRC

Under current PRC regulations, the Renminbi is convertible for “current account transactions,” which include among other things dividend payments and payments for the import of goods and services, subject to compliance with certain procedural requirements. Although the Renminbi has been fully convertible for current account transactions since 1996, we cannot assure you that the relevant PRC government authorities will not limit or eliminate our ability to purchase and retain foreign currencies for current account transactions in the future. Conversion of Renminbi into foreign currencies and of foreign currencies into Renminbi, for payments relating to “capital account transactions,” which principally include investments and loans, generally requires the approval of the State Administration of Foreign Exchange, or SAFE, and other relevant PRC governmental authorities.

The value of the Renminbi against the U.S. dollar, HK dollar and other currencies is affected by, among other things, changes in the PRC’s political and economic conditions and the PRC’s foreign exchange policies. On 21 July 2005, the PRC Government changed its decade-old policy of pegging the value of the Renminbi to the U.S. dollar. However, PBOC regularly intervenes in the foreign exchange market to limit fluctuations in Renminbi exchange rates and achieve policy goals. Following the removal of the U.S. dollar peg, the RMB appreciated more than 20% against the U.S. dollar over the following three years. On 21 June 2010, PBOC further reformed the Renminbi exchange rate to increase its flexibility particularly with respect to the U.S. dollar. It is difficult to predict how long the current situation may last and when and how Renminbi exchange rates may change going forward.

The following table sets forth the exchange rate as set forth in the H.10 statistical release of the Federal Reserve Board for the periods indicated:

<b>Period end</b>	<b>Exchange rate</b>			
	<b>Average<sup>(1)</sup></b>	<b>High</b>	<b>Low</b>	
	<i>(RMB per US\$1.00)</i>			
2012 .....	6,2301	6.3093	6.3879	6.2221
2013 .....	6,0537	6.1412	6.2438	6.0537
2014 .....	6,2046	6.1704	6.2591	6.0402
2015 .....	6,4778	6.2869	6.4896	6.1870
2016 .....	6,9430	6.6549	6.9580	6.4480
2017 .....	6,5063	6.7360	6.9575	6.4773
2018 .....	6,8755	6.6292	6.9737	6.2649
2019 .....	6,9618	6.9014	7.1786	6.6822
2020 .....	6,5250	6.8878	7.1681	6.5208
2021 .....	6,4339	6.4724	6.5716	6.4156
January .....	6,4282	6.4672	6.4822	6.4282
February .....	6,473	6.4601	6.4869	6.4344
March .....	6,4339	6.5109	6.5716	6.4648
April .....	6,4749	6.5189	6.5649	6.4710
May (to May 21) .....	6,4339	6.4449	6.4749	6.4156

(1) Annual averages are calculated using the average of the rates on the last business day of each month during the relevant year. Monthly averages are calculated using the average of the daily rates during the relevant month.

## DESCRIPTION OF THE SHARES

*The following is a description of the Shares, including summaries of material relevant provisions of the Company's Memorandum and Articles of Association and the Companies Act (As Revised) of the Cayman Islands (the "Companies Act"). These summaries do not purport to be complete and are qualified in their entirety by reference to the full Memorandum and Articles.*

### MEETINGS

An annual general meeting shall be called by not less than 21 days' notice in writing and any extraordinary general meeting shall be called by not less than 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place and agenda of the meeting, particulars of the resolutions and the general nature of the business to be considered at the meeting. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the auditors and all members of the Company (other than those who, under the provisions of the Articles of Association or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company).

Notwithstanding that a meeting of the Company is called by shorter notice than that mentioned above, it shall be deemed to have been duly called if it is so agreed:

- (a) in the case of a meeting called as an annual general meeting, by all members of the Company entitled to attend and vote thereat or their proxies; and
- (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than 95% in nominal value of the shares giving that right.

### VOTING RIGHTS (GENERALLY AND ON A POLL) AND RIGHT TO DEMAND A POLL

Subject to any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, at any general meeting on a poll every member present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy shall have one vote for each share registered in his name in the register of members of the Company.

Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

In the case of joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.

A member of the Company in respect of whom an order has been made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs may vote by any person authorised in such circumstances to do so and such person may vote by proxy.

Save as expressly provided in the Articles of Association or as otherwise determined by the Directors, no person other than a member of the Company duly registered and who shall have paid all sums for the time being due from him payable to the Company in respect of his shares shall be entitled to be present or to vote (save as proxy for another member of the Company), or to be reckoned in a quorum, either personally or by proxy at any general meeting.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of a poll save that the chairman of the meeting may allow a resolution which relates purely to a procedural or administrative matter as prescribed under the Listing Rules to be voted on by a show of hands.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its proxy(ies) or representative(s) at any general meeting of the Company or at any general meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house (or its nominee(s)) which he represents as that recognised clearing house (or its nominee(s)) could exercise as if it were an individual member of the Company holding the number and class of shares specified in such authorisation, including, where a show of hands is allowed, the right to vote individually on a show of hands.

## **VARIATION OF RIGHTS OF EXISTING SHARES OR CLASSES OF SHARES**

If at any time the share capital of the Company is divided into different classes of shares, all or any of the rights attached to any class of shares for the time being issued (unless otherwise provided for in the terms of issue of the shares of that class) may, subject to the provisions of the Companies Act, be varied or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. To every such separate meeting all the provisions of the Articles of Association relating to general meetings shall mutatis mutandis apply, but so that the quorum for the purposes of any such separate meeting and of any adjournment thereof shall be a person or persons together holding (or representing by proxy or duly authorised representative) at the date of the relevant meeting not less than one-third in nominal value of the issued shares of that class.

The special rights conferred upon the holders of shares of any class shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

## **TRANSFER OF SHARES**

Transfers of shares may be effected by an instrument of transfer in the usual common form or in such other form as the Directors may approve which is consistent with the standard form of transfer as prescribed by the Stock Exchange.

The instrument of transfer shall be executed by or on behalf of the transferor and, unless the Directors otherwise determine, the transferee, and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members of the Company in respect thereof. All instruments of transfer shall be retained by the Company.

The Directors may refuse to register any transfer of any share which is not fully paid up or on which the Company has a lien. The Directors may also decline to register any transfer of any shares unless:

- (a) the instrument of transfer is lodged with the Company accompanied by the certificate for the shares to which it relates (which shall upon the registration of the transfer be cancelled) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;
- (b) the instrument of transfer is in respect of only one class of shares;

- (c) the instrument of transfer is properly stamped (in circumstances where stamping is required);
- (d) in the case of a transfer to joint holders, the number of joint holders to whom the share is to be transferred does not exceed four;
- (e) the shares concerned are free of any lien in favour of the Company; and
- (f) a fee of such amount not exceeding the maximum amount as the Stock Exchange may from time to time determine to be payable (or such lesser sum as the Directors may from time to time require) is paid to the Company in respect thereof.

If the Directors refuse to register a transfer of any share they shall, within two months after the date on which the transfer was lodged with the Company, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, be suspended and the register of members of the Company closed at such times for such periods as the Directors may from time to time determine, provided that the registration of transfers shall not be suspended or the register closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

## **SHARE REPURCHASE**

The Company is empowered by the Companies Act and the Articles of Association to purchase its own shares subject to certain restrictions and the Directors may only exercise this power on behalf of the Company subject to the authority of its members in general meeting as to the manner in which they do so and to any applicable requirements imposed from time to time by the Stock Exchange and the Securities and Futures Commission of Hong Kong. Shares which have been repurchased will be treated as cancelled upon the repurchase.

## **DIVIDENDS AND OTHER METHODS OF DISTRIBUTION**

Subject to the Companies Act and the Articles of Association, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Directors. No dividend may be declared or paid other than out of profits and reserves of the Company lawfully available for distribution, including share premium.

Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For these purposes no amount paid up on a share in advance of calls shall be treated as paid up on the share.

The Directors may from time to time pay to the members of the Company such interim dividends as appear to the Directors to be justified by the profits of the Company. The Directors may also pay half-yearly or at other intervals to be selected by them any dividend which may be at a fixed rate if they are of the opinion that the profits available for distribution justify the payment.

The Directors may retain any dividends or other monies payable on or in respect of a share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists. The Directors may also deduct from any dividend or other monies payable to any member of the Company all sums of money (if any) presently payable by him to the Company on account of calls, instalments or otherwise.



No dividend shall carry interest against the Company.

Whenever the Directors or the Company in general meeting have resolved that a dividend be paid or declared on the share capital of the Company, the Directors may further resolve: (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up on the basis that the shares so allotted are to be of the same class as the class already held by the allottee, provided that the members of the Company entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or (b) that the members of the Company entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Directors may think fit on the basis that the shares so allotted are to be of the same class as the class already held by the allottee. The Company may upon the recommendation of the Directors by ordinary resolution resolve in respect of any one particular dividend of the Company that notwithstanding the foregoing a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid without offering any right to members of the Company to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to a holder of shares may be paid by cheque or warrant sent through the post addressed to the registered address of the member of the Company entitled, or in the case of joint holders, to the registered address of the person whose name stands first in the register of members of the Company in respect of the joint holding or to such person and to such address as the holder or joint holders may in writing direct. Every cheque or warrant so sent shall be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register of members of the Company in respect of such shares, and shall be sent at his or their risk and the payment of any such cheque or warrant by the bank on which it is drawn shall operate as a good discharge to the Company in respect of the dividend and/or bonus represented thereby, notwithstanding that it may subsequently appear that the same has been stolen or that any endorsement thereon has been forged. The Company may cease sending such cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two consecutive occasions. However, the Company may exercise its power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered. Any one of two or more joint holders may give effectual receipts for any dividends or other monies payable or property distributable in respect of the shares held by such joint holders.

Any dividend unclaimed for six years from the date of declaration of such dividend may be forfeited by the Directors and shall revert to the Company.

The Directors may, with the sanction of the members of the Company in general meeting, direct that any dividend be satisfied wholly or in part by the distribution of specific assets of any kind, and in particular of paid up shares, debentures or warrants to subscribe securities of any other company, and where any difficulty arises in regard to such distribution the Directors may settle it as they think expedient, and in particular may disregard fractional entitlements, round the same up or down or provide that the same shall accrue to the benefit of the Company, and may fix the value for distribution of such specific assets and may determine that cash payments shall be made to any members of the Company upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the Directors.

## **INSPECTION OF CORPORATE RECORDS**

The register of members of the Company shall be kept in such manner as to show at all times the members of the Company for the time being and the shares respectively held by them. The register may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Stock Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as provided in the Articles of Association or by advertisement published in the newspapers, be closed at such times and for such periods as the Directors may from time to time determine either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members of the Company may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year).

Any register of members kept in Hong Kong shall during normal business hours (subject to such reasonable restrictions as the Directors may impose) be open to inspection by any member of the Company without charge and by any other person on payment of a fee of such amount not exceeding the maximum amount as may from time to time be permitted under the Listing Rules as the Directors may determine for each inspection.

## **PROTECTION OF MINORITIES**

In the case of a Cayman Islands company (not being a bank) having a share capital divided into shares, the Grand Court of the Cayman Islands may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Grand Court shall direct.

Any shareholder of a Cayman Islands company may petition the Grand Court of the Cayman Islands which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

Based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands court can be expected to follow and apply the common law principles (namely the rule in *Foss v. Harbottle* and the exceptions thereto) which permit a minority shareholder to commence a class action against or derivative actions in the name of the company to challenge actions where: (i) a company acts or proposes to act illegally or ultra vires; (ii) the act complained of, although not ultra vires, could only be effected duly if authorized by more than a simple majority vote that has not been obtained; and (iii) those who control the company are perpetrating a “fraud on the minority.”

## **PROCEDURES ON LIQUIDATION**

If the Company shall be wound up, and the assets available for distribution amongst the members of the Company as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members of the Company in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. If in a winding up the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members of the Company in proportion to the capital paid up at the commencement of the winding up on the shares held by them respectively. The foregoing is without prejudice to the rights of the holders of shares issued upon special terms and conditions.

If the Company shall be wound up, the liquidator may with the sanction of a special resolution of the Company and any other sanction required by the Companies Act, divide amongst the members of the Company in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members of the Company. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members of the Company as the liquidator, with the like sanction and subject to the Companies Act, shall think fit, but so that no member of the Company shall be compelled to accept any assets, shares or other securities in respect of which there is a liability.

## **PROVISIONS RELATING TO THE BONDS IN GLOBAL FORM**

The Bonds will be represented by a Global Certificate which will be registered in the name of The Bank of New York Depository (Nominees) Limited as nominee for, and deposited with, a common depository for Euroclear and Clearstream.

Under the Global Certificate, the Issuer, for value received, promises to pay such principal sum to the holder of the Bonds represented by the Global Certificate on 7 June 2026 or on such earlier date or dates as the same may become payable in accordance with the Conditions, together with any additional amounts payable in accordance with the Conditions, all subject to and in accordance with the Conditions.

The Global Certificate will become exchangeable in whole, but not in part, for definitive certificates (“**Definitive Certificates**”) if either Euroclear or Clearstream or any other alternative clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

Whenever the Global Certificate is to be exchanged for Definitive Certificates, such Definitive Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Certificate by the Registrar upon receipt of such information as is required to complete and deliver such Definitive Certificates (including, without limitation, the names and addresses of the persons in whose names the Definitive Certificates are to be registered and the principal amount of each such person’s holding).

The Global Certificate contains provisions which apply to the Bonds in respect of which the Global Certificate is issued, some of which modify the effect of the Conditions set out in this Offering Circular. Terms defined in the Conditions have the same meaning in the paragraphs below. The following is a summary of those provisions:

### **MEETINGS**

For the purposes of any meeting of Bondholders, the holder of the Bonds represented by the Global Certificate shall (unless the Global Certificate represents only one Bond) be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and as being entitled to one vote in respect of each U.S.\$1,000 in principal amount of Bonds then outstanding.

### **CANCELLATION**

Cancellation of any Bond represented by the Global Certificate by the Issuer following redemption, conversion or purchase by the Issuer, the Guarantor or any of their respective Subsidiaries will be effected by a reduction in the principal amount of the Bonds in the register of Bondholders.

### **TRUSTEE’S POWERS**

In considering the interests of Bondholders while the Global Certificate is registered in the name of a nominee for a clearing system, the Trustee may, to the extent it considers it appropriate to do so in the circumstances, but without being obliged to do so, (a) have regard to any information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of the Bonds and (b) consider such interests on the basis that such accountholders were the holders of the Bonds in respect of which the Global Certificate is issued.

## **CONVERSION**

Subject to the requirements of Euroclear and Clearstream (or any Alternative Clearing System (as defined below)), the Conversion Right attaching to a Bond in respect of which the Global Certificate is issued may be exercised at any time during the Conversion Period by the presentation to or to the order of the Principal Agent of one or more Conversion Notices (as defined in the Conditions) duly completed by or on behalf of a holder of a book-entry interest in such Bonds. Deposit of the Global Certificate with the Principal Agent together with the relevant conversion notice(s) shall not be required.

## **RECORD DATE**

Notwithstanding Condition 7(a) (*Payments*), so long as the Global Certificate is held on behalf of Euroclear, Clearstream or any Alternative Clearing System, each payment in respect of the Global Certificate will be made to, or to the order of, the person shown as the holder in the Register at the close of business on the Clearing System Business Day immediately before the due date for such payments, where “**Clearing System Business Day**” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

## **PAYMENT**

The Issuer, for value received, will pay to the holder of the Bonds represented by the Global Certificate (subject to surrender of the Global Certificate if no further payment falls to be made in respect of such Bonds) on the Maturity Date (or on such earlier date as the amount payable upon redemption under the Conditions may become repayable in accordance with the Conditions) the amount payable upon redemption under the Conditions in respect of the Bonds represented by the Global Certificate, on the dates for payment, and in accordance with the method of calculation provided for in the Conditions, save that the calculation is made in respect of the total aggregate amount of the Bonds represented by the Global Certificate, together with such other sums and additional amounts (if any) as may be payable under the Conditions, in accordance with the Conditions.

Each payment will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

Each payment will be made to, or to the order of, the person whose name is entered in the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

## **NOTICES**

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream or any alternative clearing system, notices to holders of the Bonds shall be given by delivery of the relevant notice to Euroclear or Clearstream or the Alternative Clearing System, for communication by it to accountholders in substitution for notification as required by the Conditions.

## **REDEMPTION AT THE OPTION OF THE BONDHOLDERS**

The Bondholder’s redemption options in Condition 8(d) and Condition 8(e) of the Conditions may be exercised by the holder of the Global Certificate giving notice to any Paying Agent of the principal amount of Bonds in respect of which the option is exercised within the time limits specified in the relevant Condition.

## **REDEMPTION AT THE OPTION OF THE ISSUER**

The option of the Issuer provided for in Condition 8(b) and Condition 8(c) of the Conditions shall be exercised by the Issuer giving notice to the Bondholders within the time limits set out in and containing the information required by the relevant Condition.

## **BONDHOLDER'S TAX OPTION**

The option of the Bondholders not to have the Bonds redeemed as provided in Condition 8(b) shall be exercised by the presentation to any Paying Agent of a duly completed Bondholder's election notice within the time limits set out in and containing the information required by Condition 8(b).

## **EXCHANGE OF BONDS REPRESENTED BY GLOBAL CERTIFICATES**

Owners of interests in the Bonds in respect of which the Global Certificate is issued will be entitled to have title to the Bonds registered in their names and to receive individual definitive Certificates if either Euroclear or Clearstream or any other clearing system selected by the Issuer and approved in writing by the Trustee, the Principal Agent and the Registrar through which the Bonds are held (an "**Alternative Clearing System**") is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so. In such circumstances, the Issuer will at its own expense cause sufficient individual definitive Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant holders of the Bonds. A person with an interest in the Bonds in respect of which the Global Certificate is issued must provide the Registrar not less than 30 days' notice at its specified office of such holder's intention to effect such exchange and a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates.

## **TRANSFERS**

Transfers of beneficial interests in the Bonds represented by the Global Certificate will be effected through the records of Euroclear and Clearstream (or any Alternative Clearing System) and their respective participants in accordance with the rules and procedures of Euroclear and Clearstream (or any Alternative Clearing System) and their respective direct and indirect participants.

## **PARTIAL REDEMPTION**

In the case of a partial redemption of the Bonds, such Bonds to be redeemed will be selected by such method in such place as the Trustee may approve and in such manner as the Trustee shall deem to be appropriate, in accordance with the rules of the relevant Clearing System.

## TAXATION

*The following summary of certain British Virgin Islands, Cayman Islands, Hong Kong and PRC tax consequences of the purchase, ownership and disposition of Bonds and Shares is based upon applicable laws, regulations, rulings and decisions as of the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds or the Shares and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of Bonds should consult their own tax advisors concerning the tax consequences of the purchase, ownership and disposition of Bonds and Shares, including such possible consequences under the laws of their country of citizenship, residence or domicile.*

### BRITISH VIRGIN ISLANDS

Under existing British Virgin Islands laws, payments of interest and principal on the Bonds will not be subject to taxation in the British Virgin Islands and no withholding will be required on the payment of interest and principal to any holder of the Bonds nor will gains derived from the disposal of the Bonds be subject to British Virgin Islands income or corporation tax, **provided that** the payments are made to persons who are not resident in the British Virgin Islands.

Under existing British Virgin Islands laws, no estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not resident in the British Virgin Islands with respect to the Bonds.

There are currently no withholding taxes or exchange control regulations in the British Virgin Islands applicable to the Issuer.

Under existing British Virgin Islands laws, if neither the Issuer nor any subsidiary holds an interest in real estate in the British Virgin Islands, no stamp duty is payable in respect of the issue of the Bonds or on an instrument of transfer in respect of the Bonds.

### CAYMAN ISLANDS

Under existing laws of the Cayman Islands, payments of interest and principal on the Bonds will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal to any holder of the Bonds, as the case may be, nor will gains derived from the disposal of the Bonds be subject to Cayman Islands income or corporation tax. The Cayman Islands currently has no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.

No stamp duty is payable in respect of the issue of the Bonds. The holder of any Bonds (or a legal personal representative of such holder) whose Bonds are brought into the Cayman Islands may in certain circumstances be liable to pay stamp duty imposed under the laws of the Cayman Islands in respect of such Bonds. An instrument transferring title to a registered Bond, if brought to or executed in the Cayman Islands, would be subject to nominal Cayman Islands stamp duty. Stamp duty may be payable if any original documents are brought to or executed in the Cayman Islands.

### HONG KONG

#### Withholding tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Bonds or in respect of any capital gains arising from the sale of the Bonds.

#### Profits tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Bonds may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

- (i) interest on the Bonds is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;
- (ii) interest on the Bonds is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;
- (iii) interest on the Bonds is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the “**IRO**”)) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or
- (iv) interest on the Bonds is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Bonds will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Bonds will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Bonds will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Bonds are acquired and disposed of.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

### **Stamp Duty**

No Hong Kong stamp duty will be chargeable upon the issuance or transfer of a Bond.

### **PRC TAXATION**

The following summary of certain PRC tax consequences of the purchase, ownership and disposition of Bonds is based upon applicable laws, rules and regulations in effect as of the date of this Offering Circular, all of which are subject to change (possibly with retroactive effect). This discussion does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Bonds and does not purport to deal with consequences applicable to all categories of investors, some of which may be subject to special rules. Persons considering the purchase of Bonds should consult their own tax advisors concerning the tax consequences of the purchase, ownership and disposition of Bonds, including such possible consequences under the laws of their country of citizenship, residence or domicile.

### **Taxation on Interests**

The EIT Law imposes a tax at the rate of 10 per cent. on interests realised by an enterprise holder of the Bonds that is a “non-resident enterprise” which does not have an establishment or place of business in the PRC or, whose relevant income is not effectively connected with its establishment or place of business in the PRC despite the existence of such establishment or place of business in the PRC, to the extent such interests are sourced within the PRC. The Individual Income Tax Law imposes a tax at the rate of 20 per cent. on interest paid to a foreign individual who is neither domiciled nor resides in the PRC; to the extent such income is sourced within the PRC. Pursuant to these provisions of the EIT Law and the Individual Income Tax Law, it is unclear whether we are considered as a PRC resident enterprise. If we are considered as a PRC resident enterprise, interests paid to non-resident enterprise holders and non-resident individual holders of the Bonds may be treated as income derived from sources within the PRC and thus subject to PRC withholding tax. To the extent that China has entered into arrangements relating to the avoidance of double-taxation with any jurisdiction, such as Hong Kong, that allow a lower withholding tax rate, such lower rate may apply to qualified enterprise investors in the Bonds.

### **Taxation on Capital Gains**

The EIT Law impose a tax at the rate of 10 per cent. on capital gains realised by an enterprise holder of Bonds that is a “non-resident enterprise” which does not have an establishment or place of business in the PRC or, where despite the existence of establishment or place of business in the PRC, the relevant gain is not effectively connected with such establishment or place of business in the PRC, to the extent such capital gains are sourced within the PRC. The Individual Income Tax Law imposes a tax at the rate of 20 per cent. on capital gains realised by a foreign individual who is neither domiciled nor resident in the PRC; to the extent such capital gains are sourced within the PRC. Pursuant to these provisions of the EIT Law and the Individual Income Tax Law, although the matter is unclear, if we are considered a PRC resident enterprise, capital gains realised by non-resident enterprise holders and non-resident individual holders of the Bonds may be treated as income derived from sources within the PRC and be subject to PRC withholding tax. To the extent that China has entered into arrangements relating to the avoidance of double-taxation with any jurisdiction, such as Hong Kong, that allow a lower rate of withholding tax, such lower rate may apply to qualified enterprise investors in the Bonds.

### **Stamp duty**

No PRC stamp tax will be chargeable upon the issue or transfer (for so long as the register of holders of the Bonds is maintained outside the PRC) of a Bond.



## SUBSCRIPTION AND SALE

The Issuer and the Guarantor have entered into a subscription agreement with the Managers dated 24 May 2021 (the “**Subscription Agreement**”) pursuant to which, and subject to certain conditions contained therein, the Issuer agreed to sell to the Managers, and each of the Managers has agreed to severally and not jointly subscribe and pay for, or to procure subscribers to subscribe and pay for, the aggregate principal amount of the Bonds set forth opposite its name below.

	<b>Principal amount of the Bonds to be subscribed</b>
	(U.S.\$)
Credit Suisse (Hong Kong) Limited . . . . .	105,000,000
Morgan Stanley & Co. International plc . . . . .	105,000,000
China International Capital Corporation Hong Kong Securities Limited . . . . .	90,000,000
<b>Total</b> . . . . .	<b>300,000,000</b>

The Subscription Agreement provides that the Issuer (failing which, the Guarantor) will indemnify the Managers against certain liabilities in connection with the offer and sale of the Bonds. The Subscription Agreement provides that the obligations of the Managers are subject to certain conditions precedent, and entitles the Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

The Managers or their respective affiliates may purchase the Bonds or Shares for their own account and enter into transactions, including, without limitation, credit derivatives, including asset swaps, repackaging and credit default swap relating to the Bonds or Shares at the same time as the offer and sale of the Bonds or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Bonds or Shares to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchaser of the Bonds). The Managers and their respective affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer, the Guarantor or their respective subsidiaries or affiliates from time to time. The Managers may receive customary fees and commissions for these transactions. The Managers or certain of their respective affiliates may purchase Bonds or Shares and be allocated Bonds or Shares for asset management and/or proprietary purposes but not with a view to distribution. In addition to the transactions noted above, the Managers and their respective affiliates may, from time to time, engage in other transactions with, and perform services for, the Issuer, the Guarantor or their respective subsidiaries or affiliates in the ordinary course of their business. In addition, the Managers and certain of their respective subsidiaries and affiliates may hold shares or other securities in the Issuer or the Guarantor as beneficial owners, on behalf of clients or in the capacity of investment advisers.

Each of the Issuer and the Guarantor has agreed in the Subscription Agreement that neither the Issuer, the Guarantor nor any person acting on its or their behalf will (a) issue, offer, sell, contract to sell, pledge, encumber or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or securities of the same class as the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Managers between the date of the Subscription

Agreement and the date which is 90 days after the Issue Date (both dates inclusive); except for (i) the Bonds and the New Shares issued on conversion of the Bonds; (ii) the issuance of the Shares that are required to be issued and delivered on conversion in the manner contemplated by the terms and conditions of the U.S.\$150,000,000 in aggregate principal amount of 1.50 per cent. guaranteed convertible bonds due 2025 issued on 15 May 2020 by the Issuer, which is guaranteed by the Guarantor; (iii) the issuance of the 156,000,000 new Shares pursuant to the placing agreement entered into among the Guarantor and China International Capital Corporation Hong Kong Securities Limited, Credit Suisse (Hong Kong) Limited and Morgan Stanley & Co. International plc on 24 May 2021; and (iv) the issuance of any Shares under the Guarantor's publicly disclosed restricted stock unit plan, which was approved and adopted by the board of directors of the Guarantor on 25 May 2020.

In addition, Mr. Sun Taoyong, Mr. Fang Tongshu and Mr. You Fengchun have agreed on a joint and several basis that for a period from the date of the Subscription Agreement up to 90 days from the Issue Date, neither him nor his nominee nor any person acting on his behalf will (except with the prior written approval of the Managers), except for the 115,000,000 relevant Shares which are subject to the stock borrowing and lending agreements entered into between Credit Suisse (Hong Kong) Limited and each of Yomi.sun Holding Limited, Alter.You Holding Limited and Jeff.Fang Holding Limited, each dated 6 May 2020, (a) issue, offer, sell, contract to sell, pledge, encumber or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any of the relevant Shares or securities of the same class as the relevant Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the relevant Shares or securities of the same class as the relevant Shares or other instruments representing interests in the relevant Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the relevant Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of relevant Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing. The lock-up undertaking for Mr. Sun Taoyong, Mr. Fang Tongshu and Mr. You Fengchun shall be in respect of 406,380,000 Shares, representing approximately 17.86 per cent. of the Shares.

On or about the date of the Subscription Agreement, the Guarantor entered into a placing agreement with the Managers to procure purchasers for an equity placement of 156,000,000 Shares issued by the Guarantor at a placement price of HK\$15.00 per Share (the "**Concurrent Equity Placement**"). The Concurrent Equity Placement was conducted concurrently with the offering of the Bonds but the completion of the issuance of the Bonds and the Shares under the Concurrent Equity Placement are not inter-conditional. The closing date for the Concurrent Equity Placement was 1 June 2021.

## **SELLING RESTRICTIONS**

### **General**

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

No action has been or will be taken in any jurisdiction by the Issuer, the Guarantor or the Managers that would permit a public offering, or any other offering under circumstances not permitted by applicable law, of the Bonds, or possession or distribution of this Offering Circular, any amendment or supplement thereto issued in connection with the proposed resale of the Bonds or any other offering or publicity material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisements in connection with the Bonds may be distributed or published,

by the Issuer, the Guarantor or the Managers, in or from any country or jurisdiction, except in circumstances which will result in compliance with all applicable rules and regulations of any such country or jurisdiction and will not impose any obligations on the Issuer, the Guarantor or the Managers.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Managers or any affiliate of the Managers is a licenced broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Managers or such affiliate on behalf of the Issuer and the Guarantor in such jurisdiction.

### **United States**

The Bonds and the Shares to be issued upon conversion of the Bonds have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States.

The Bonds are being offered and sold outside of the United States in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of the Bonds or Shares to be issued upon conversion of the Bonds within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### **Hong Kong**

Each Manager has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Bonds other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

### **United Kingdom**

Each Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

## **Prohibition of Sales to EEA Retail Investors**

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bond which are the subject of the offering contemplated by this Offering Circular in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision the expression “retail investor” means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

## **Prohibition Of Sales To UK Retail Investors**

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds which are the subject of the offering contemplated by this Offering Circular in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision the expression “**retail investor**” means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or
- (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

## **Japan**

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each Manager has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

## **The People’s Republic of China**

Each Manager has represented and agreed that the Bonds are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by laws of the People’s Republic of China.

## **Singapore**

Each Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this

Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “SFA”) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Bonds pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275 (1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Future (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

*Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Bonds are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

### **The Cayman Islands**

Each Manager has represented, warranted and agreed that no offer of the Bonds will be made directly or indirectly to the public in the Cayman Islands.

### **The British Virgin Islands**

Each Manager has represented, warranted and agreed that it has not made and will not make any invitation to the public in the British Virgin Islands to offer or sell the Bonds.

## GENERAL INFORMATION

1. **Clearing Systems:** The Bonds have been accepted for clearance through Euroclear and Clearstream under Common Code number 232475498 and the International Securities Identification Number for the Bonds is XS2324754980.
2. **Listing of Bonds:** Application has been made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Bonds issued to Professional Investors only. It is expected that dealing in, and listing of, the Bonds on the Hong Kong Stock Exchange will commence on 8 June 2021.
3. **Listing of Shares:** Application has been made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Shares arising on conversion of the Bonds. It is expected that dealing in, and listing of, such Shares on the Hong Kong Stock Exchange will commence when they are issued.
4. **Authorisations:** The Issuer and the Guarantor have obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Bonds and the Guarantee. The issue of the Bonds was authorised by resolutions of the sole director of the Issuer passed on 24 May 2021. The giving of the Guarantee was authorised by written resolutions of the board of directors of the Guarantor passed on 24 May 2021. The Shares to be issued upon conversion of the Bonds are to be issued pursuant to the general mandate granted to the Directors of the Guarantor at its annual general meeting held on 29 June 2020.
5. **No Material Adverse Change:** There has not occurred any material change (nor any development or event involving a prospective change), in our condition (financial or otherwise), prospects, results of operations, profitability, business, management, shareholders' equity, properties or general affairs since 31 December 2020, and there has not occurred any such material change in the Issuer since its incorporation.
6. **Litigation:** Neither the Issuer, the Guarantor nor any of their respective subsidiaries is involved in any litigation or arbitration proceedings which are material in the context of the Bonds nor is the Issuer or the Guarantor aware that any such proceedings are pending or threatened.
7. **Available Documents:** Copies of our latest annual report, our audited consolidated financial statements as at and for the years ended 31 December 2019 and 2020, as well as the Trust Deed and the Agency Agreement, will be available for inspection, at the principal office of the Guarantor at Weimeng Building, 258 Changjiang Road, Baoshan District, Shanghai, China and (with respect to the Trust Deed and the Agency Agreement) at the specified office for the time being of the Principal Agent (at all reasonable times during usual business hours (being between 9:00 a.m. and 3:00 p.m., Monday to Friday other than public holidays) following prior written request and proof of holding and identity to the satisfaction of the Principal Agent), so long as any of the Bonds is outstanding.
8. **Consolidated Financial Statements:** The Guarantor's consolidated financial statements as at and for the years ended 31 December 2019 and 2020, incorporated by reference in this Offering Circular, have been audited by PricewaterhouseCoopers, the independent auditor of the Guarantor.
9. **Auditor's Consent:** The independent auditor of the Guarantor have agreed to the incorporation by reference in this Offering Circular of, and all references to, (i) their name, (ii) their audit report on the consolidated financial statements of the Guarantor for the years ended 31 December 2019 and 2020.

**THE ISSUER**

**Weimob Investment Limited**  
Kingston Chambers  
PO Box 173  
Road Town, Tortola  
British Virgin Islands

**THE GUARANTOR**

**Weimob Inc.**  
Weimob Building  
No. 258 Changjiang Road  
Baoshan District  
Shanghai  
China

**TRUSTEE**

**The Bank of New York Mellon, London Branch**  
One Canada Square  
London E14 5AL  
United Kingdom

**PRINCIPAL PAYING AND CONVERSION AGENT**

**The Bank of New York Mellon, London Branch**  
One Canada Square  
London E14 5AL  
United Kingdom

**REGISTRAR AND TRANSFER AGENT**

**The Bank of New York Mellon SA/NV,  
Luxembourg Branch**  
Vertigo Building Polaris  
2-4 rue Eugène Ruppert  
L-2453 Luxembourg

**LEGAL ADVISERS TO THE ISSUER AND THE GUARANTOR**

*as to English law*

**Clifford Chance**  
27th Floor, Jardine House  
One Connaught Place  
Central  
Hong Kong

*as to British Virgin Islands law and as to  
Cayman Islands law*

**Maples and Calder  
(Hong Kong) LLP**  
26th Floor, Central Plaza  
18 Harbour Road  
Wanchai  
Hong Kong

*as to PRC law*

**Junhe LLP**  
26/F HKRI Centre One  
HKRI Taikoo Hui  
288 Shimen Road (No. 1)  
Shanghai  
China

**LEGAL ADVISERS TO THE MANAGERS**

*as to English law and Hong Kong law*

**Linklaters**  
11/F Alexandra House  
Chater Road  
Central  
Hong Kong

*as to PRC law*

**Haiwen & Partners**  
20/F, Fortune Financial Center  
5 Dong San Huan Central Road  
Chaoyang District  
Beijing 100020  
China

**LEGAL ADVISERS TO THE TRUSTEE**

*as to English law*

**Linklaters**  
11/F Alexandra House  
Chater Road  
Central  
Hong Kong

**AUDITOR**

**PricewaterhouseCoopers**  
Certified Public Accountants  
Registered Public Interest Entity Auditor  
22/F, Prince's Building  
Central  
Hong Kong