
HISTORY AND CORPORATE STRUCTURE

OVERVIEW

We incorporated our Company under the laws of the Cayman Islands on June 2010. We are a leading social media platform in China for people to create, discover and distribute content. We have transformed the way people express themselves and interact with others in the public internet space. We serve a wide range of users including ordinary people, celebrities, key opinion leaders and other public figures or influencers, as well as media outlets, businesses, government agencies, charities, and other organizations, making us a microcosm of the Chinese society.

KEY MILESTONES

Our key business milestones are summarized below:

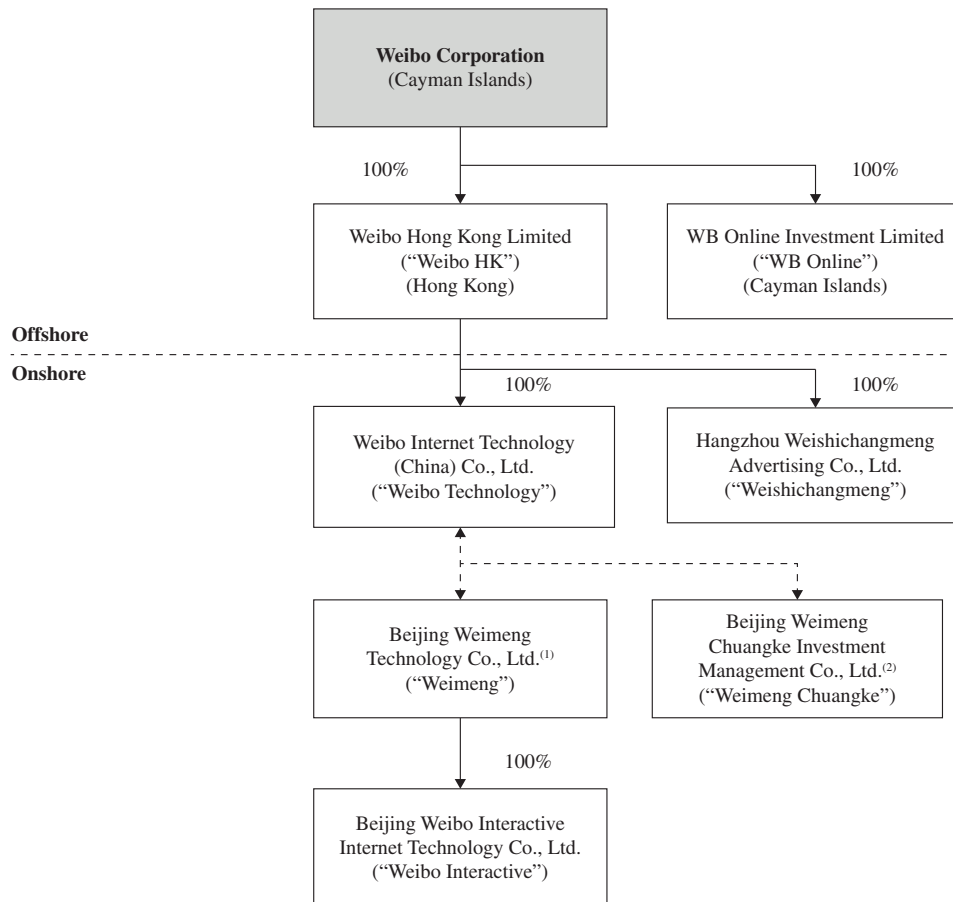
Date	Event
2009	Weibo was first launched by SINA Corporation as one of the earliest social media platforms providing microblogging service.
2010	We introduced the first generation of Weibo mobile app.
2012	We started monetization through advertising business.
2013	We launched FST, a real time bidding advertising system. We began to explore other monetization models through value-added service, such as membership service and online gaming. In April, Alibaba invested in us with 18% of the then outstanding shares of our Company.
2014	In April, our Company completed the initial public offering (IPO) and was listed on the Nasdaq under the symbol “WB”. Alibaba further increased its shareholding of our Company after the IPO on Nasdaq. We introduced Weibo Hot Search as an early mover in China to introduce hot topic ranking chart, which facilitates the discovery of breaking news and trendy content on a real time basis.
2016	We launched the live steaming feature.
2017	Our annual revenue crossed the US\$1 billion mark.
2018	Our average DAUs reached the 200 million milestone.
2019	Our MAUs surpassed the 500 million milestone.

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Our corporate structure

Weibo Corporation is the offshore holding company of our group and conducts business operations in China through wholly owned and partially owned subsidiaries, and consolidated VIEs and VIEs’ subsidiaries. The following diagram illustrates our corporate structure, including our major subsidiaries and VIEs, as of September 30, 2021:



→ Equity interest.

← Contractual arrangements including loan agreements, share transfer agreements, loan repayment agreements, agreements on authorization to exercise shareholder’s voting power, share pledge agreements, exclusive technical services agreement, exclusive sales agency agreement and trademark license agreement.

- (1) The shareholders of Weimeng are four PRC employees of us or SINA, namely, Yunli Liu, Wei Wang, Wei Zheng and Zenghui Cao, holding 29.70%, 29.70%, 19.80% and 19.80% of Weimeng’s equity interests, respectively, and WangTouTongDa (Beijing) Technology Co., Ltd., a third-party minority stake holder, holding 1% of Weimeng’s equity interest.
- (2) The shareholders of Weimeng Chuangke are two PRC employees of our company or SINA, namely, Yunli Liu and Wei Wang, holding 50% and 50% of Weimeng Chuangke’s equity interests, respectively.

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Major Subsidiaries

The principal business activities and date of establishment of each of our Major Subsidiaries are shown below:

Major Subsidiaries	Principal Business Activities	Date and Jurisdiction of Establishment
WB Online Investment Limited	investment holding	June 4, 2014, Cayman Islands
Weibo Hong Kong Limited (formerly known as T.CN Hong Kong Limited)	investment holding	July 19, 2010, Hong Kong
Weibo Internet Technology (China) Co., Ltd.	provision of technical and consulting services	October 11, 2010, PRC
Hangzhou Weishichangmeng Advertising Co., Ltd.	provision of advertising and marketing services	September 25, 2018, PRC
Beijing Weimeng Technology Co., Ltd	provision of advertising, marketing and internet information services	August 9, 2010, PRC
Beijing Weibo Interactive Internet Technology Co., Ltd.	provision of game-related services	September 8, 2011, PRC
Beijing Weimeng Chuangke Investment Management Co., Ltd.	investment holding	April 9, 2014, PRC

Acquisitions, Disposals and Strategic investments

We have not conducted any major acquisition or disposal during the Track Record Period.

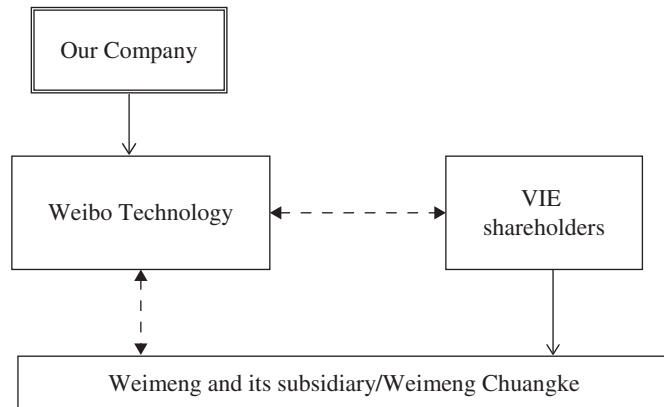
Contractual Arrangements

In order to comply with the PRC government’s foreign investment restrictions on internet information services and other laws and regulations, we conduct all our internet information services and value-added telecommunication services in China via our significant domestic VIEs. Our consolidated affiliated Chinese entities hold the licenses and assets that are important to our business operations including the Internet Content Provision License, the Online Culture Operating Permit and domain names held by Weimeng and our investments held by Weimeng Chuangke. As of the Latest Practicable Date, the shareholders of Weimeng are four PRC employees of us or SINA, namely, Yunli Liu (Vice President and assistant to the Chairman of SINA Corporation), Wei Wang (Chief Operating Officer of our Company), Wei Zheng (Vice President, Products of our Company) and Zenghui Cao (Senior Vice President, Operation of our Company), holding 29.70%, 29.70%, 19.80% and 19.80% of Weimeng’s equity interests, respectively, and WangTouTongDa (Beijing) Technology Co., Ltd., a third-party minority stake holder holding 1% of Weimeng’s equity interest. The shareholders of Weimeng Chuangke are two PRC employees of our company or SINA, namely, Yunli Liu, and Wei Wang, holding 50% and 50% of Weimeng Chuangke’s equity interests, respectively.

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Due to historical reasons, there was overlap in terms of management and manpower between SINA and us when Weimeng and Weimeng Chuangke were established in August 2010 and April 2014 respectively, and certain SINA employees were nominated to be the registered shareholders of our VIE entities.

The diagram below illustrates the general structure of the economic flow and control under the VIE structure created by the contractual arrangements:



Notes:

(1) “—>” denotes the direction of legal and beneficial ownership.

“-----” denotes the contractual arrangements among the VIEs, VIE shareholders, and our subsidiaries.

The capital investments in both Weimeng and Weimeng Chuangke were funded through Weibo Technology and recorded as interest-free loans to the respective shareholders of Weimeng and Weimeng Chuangke. As of June 30, 2021, the total amount of interest-free loans to the shareholders of Weimeng was RMB555.0 million (US\$86.0 million) and to the shareholders of Weimeng Chuangke was RMB30.0 million (US\$4.6 million). Under various contractual agreements, the shareholders of our consolidated VIEs are required to transfer their ownership in the VIEs to our wholly owned subsidiary in China, Weibo Technology, when permitted by PRC laws and regulations, or to our designees at any time for the amount of the outstanding loans, and all voting rights of our consolidated VIEs are assigned to Weibo Technology. Through Weibo Technology, we have also entered into an exclusive technical services agreement and other service agreements with each of our consolidated VIEs, under which Weibo Technology provides technical services and other services to these VIEs in exchange for substantially all of their economic benefits. In addition, the shareholders of our consolidated VIEs have pledged their shares in these VIEs as collateral for repayment of loans and payment of fees on technical and other services due to us.

Weibo Technology recognized service fees from all the VIEs in the amount of US\$842.6 million, US\$832.4 million, US\$766.8 million and US\$438.5 million for the years ended December 31, 2018, 2019 and 2020 and the six months ended June 30, 2021 in consideration for services provided to the VIEs. Net revenues from VIEs and VIEs’ subsidiaries accounted for 82.4%, 83.4%, 78.1% and 76.9% of our Company’s net revenues for the years ended December 31, 2018, 2019, and 2020 and the six months ended June 30, 2021. The contractual arrangements currently in force in relation to Weimeng were first established on October 11, 2010 and certain agreements were subsequently entered into on January 19, 2018. The

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contractual arrangements currently in force in relation to Weimeng Chuangke were first established on April 9, 2014 and certain agreements were subsequently entered into on February 17, 2020. See “Statutory and General Information — Further information about our business — Summary of the contractual arrangement” in Appendix IV for a full list of the contracts constituting the contractual arrangements.

Terms of the arrangements with consolidated affiliated Chinese entities

The following is a summary of the VIE agreements with Weimeng. The VIE agreements with Weimeng Chuangke are substantially the same as those described below:

Loan Agreements

Weibo Technology has granted interest-free loans to the shareholders of Weimeng with the sole purpose of providing funds necessary for those shareholders to make capital injections to Weimeng. The term of the loans is 10 years and Weibo Technology has the right, at its own discretion, to shorten or extend the term of the loans if necessary. In our consolidated financial statements, these loans are eliminated with the capital of Weimeng during consolidation.

Share Transfer Agreements

Each shareholder of Weimeng has granted Weibo Technology an option to purchase his shares in Weimeng at a purchase price equal to the amount of capital injection. Weibo Technology may exercise such option at any time until it has acquired all shares of Weimeng, subject to applicable PRC laws. The options will be effective until the earlier of (i) Weibo Technology and the shareholders of Weimeng have fully performed their obligations under these agreements, and (ii) Weibo Technology and the shareholders of Weimeng agree in writing to terminate these agreements.

Loan Repayment Agreements

Each shareholder of Weimeng has agreed with Weibo Technology that the interest-free loans under the loan agreements shall only be repaid through share transfers. Once the share transfers are completed, the purchase price for the share transfer will be set off against the loan repayment. These agreements will be effective until the earlier of (i) Weibo Technology and the shareholders of Weimeng have fully performed their obligations under these agreements, and (ii) Weibo Technology and the shareholders of Weimeng agree in writing to terminate these agreements.

Agreement on Authorization to Exercise Shareholder’s Voting Power

Each shareholder of Weimeng has authorized Weibo Technology to exercise all his voting power as a shareholder of the applicable VIE on all matters requiring shareholders’ approval under PRC laws and regulations and the articles of association of Weimeng, including without limitation appointment of directors, transfer, mortgage or disposal of Weimeng’s assets, transfer of any equity interest in Weimeng, and merger, split, dissolution and liquidation of Weimeng. The authorizations are irrevocable and will not expire until Weimeng dissolves.

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Share Pledge Agreements

Each shareholder of Weimeng has pledged all of his shares in Weimeng and all other rights relevant to his rights in those shares to Weibo Technology as security for his obligations to pay off all debts to Weibo Technology under the loan agreement. In the event of default of such obligations, Weibo Technology will be entitled to certain rights, including transferring the pledged shares to itself and disposing of the pledged shares through sale or auction. During the term of the agreements, Weibo Technology is entitled to receive all dividends and distributions paid on the pledged shares. The pledges will be effective until the earlier of (i) the third anniversary of the due date of the last guaranteed debt, (ii) Weimeng and its shareholders have fully performed their obligations under these agreements, and (iii) Weibo Technology consents to terminate these agreements. We have completed registration of equity pledges with the relevant office of the administration for industry and commerce in accordance with the PRC Civil Code.

Exclusive Technical Services Agreement, Exclusive Sales Agency Agreement and Trademark License Agreement

Weimeng has entered into an exclusive technical services agreement, an exclusive sales agency agreement and a trademark license agreement with Weibo Technology. Under the exclusive technical services agreement, Weibo Technology is engaged to provide technical services for Weimeng's online advertising and other related businesses. Under the exclusive sales agency agreement, Weimeng has granted Weibo Technology the exclusive right to distribute, sell and provide agency services for all the products and services provided by Weimeng. Due to its control over Weimeng, Weibo Technology has the right to determine the service fee to be charged to Weimeng under these agreements by considering, among other things, the technical complexity of the services, the actual cost that may be incurred for providing such services, the operations of Weimeng, applicable tax rates, planned capital expenditure and business strategies. These agreements can only be prematurely terminated by Weibo Technology, and will not expire until Weimeng dissolves. Under the trademark license agreement, Weibo Technology has granted Weimeng trademark licenses to use the trademarks held by or licensed to Weibo Technology in specific areas, and Weimeng is obligated to pay license fees to Weibo Technology. The term of this agreement is one year and is automatically renewed provided there is no objection from Weibo Technology.

Spousal Undertakings

Each of the spouses of the shareholders of Weimeng and Weimeng Chuangke, namely Yunli Liu, Wei Wang, Wei Zheng and Zenghui Cao, signed the spousal consent letters. Yunli Liu, Wei Wang, Wei Zheng and Zenghui Cao collectively hold 99% equity interest in Weimeng. Yunli Liu and Wei Wang collectively hold 100% equity interest in Weimeng Chuangke. Pursuant to the spousal consent letters, each signing spouse unconditionally and irrevocably agreed that the spouse is aware of the abovementioned loan agreements, share transfer agreements, loan repayment agreements, agreement on authorization to exercise shareholder's voting power and share pledge agreements and has read and understood the contractual arrangements. Each signing spouse has committed not to make any assertions in connection with the equity interests of the relevant shareholder's interest in Weimeng and Weimeng Chuangke, to execute all necessary documents and take all necessary actions to ensure appropriate performance of the abovementioned agreements, and, if the spouse obtains any equity interests of Weimeng or Weimeng Chuangke, to be bound by the abovementioned agreements, comply with the obligations thereunder as a shareholder of Weimeng or Weimeng Chuangke and sign a series of written documents in substantially the same format and content as the abovementioned agreements.

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Minority Investment in Weimeng

In April 2020, WangTouTongDa (Beijing) Technology Co., Ltd., an entity affiliated with ZhongWangTou (Beijing) Technology Co., Ltd., made an investment of RMB10.7 million in Weimeng for 1% of Weimeng’s enlarged registered capital. Such third party minority stake holder is entitled to customary economic rights in proportion to its equity ownership, and certain minority shareholder rights such as the right to appoint a director to Weimeng’s three-member board of directors, and veto rights over certain matters related to content decision, and certain future financings of Weimeng.

The third party minority stake holder is not a party to the contractual arrangements that are currently in effect among Weimeng, Weibo Technology and Weimeng’s other shareholders. As such, despite the fact that we are still able to enjoy economic benefits and exercise effective control over Weimeng and its subsidiaries, we are not able to purchase or have the third party minority stake holder pledge its 1% equity interests in Weimeng in the same manner as agreed under existing contractual arrangements, nor are we granted the authorization of voting rights over these 1% equity interests. We believe Weibo Technology, our wholly-owned PRC subsidiary, still controls and is the primary beneficiary of Weimeng as it continues to have a controlling financial interest in Weimeng pursuant to ASC 810-10-25-38A after the issuance of such 1% equity interests.

Although we have been advised by our PRC counsel, TransAsia Lawyers, that our arrangements with Weimeng are not in conflict with current PRC laws and regulations, we cannot assure you that we will not be required to restructure our organization and operations in China to comply with the changing and new PRC laws and regulations. Restructuring of our operations may result in disruption to our business. If PRC tax authorities were to determine that our VIE structure was not done on an arm’s-length basis and therefore constitutes favorable transfer pricing, they could request Weimeng to adjust its taxable income upward for PRC tax purposes. Such a pricing adjustment may not reduce the tax expenses of Weibo Technology but could adversely affect us by increasing Weimeng’s tax expenses, which could subject Weimeng to late payment fees and other penalties for tax underpayment and/or could result in the loss of tax benefits available to Weibo Technology in China. Any of these measures may result in adverse tax consequences to us and adversely affect our results of operations.

Confirmations and risks relating to the variable interest entity structure

Our PRC Legal Adviser is of the opinion that:

- (a) our current ownership structure, the ownership structure of our PRC subsidiaries and our VIEs, and the contractual arrangements among our PRC subsidiaries, the VIEs and their respective shareholders are in compliance with existing PRC laws, rules and regulations.
- (b) each of the contractual arrangements among our PRC subsidiaries, the VIEs and their respective shareholders governed by PRC laws and regulations is valid, legal and binding except that the pledge on the shareholders’ equity interests in Weimeng and Weimeng Chuangke would not be deemed validly created until it is registered with the competent SAMR, and does not and will not violate any applicable PRC laws and regulations or their respective articles of association currently in effect; and
- (c) each of the contractual arrangements entered into among our PRC subsidiaries, the VIEs and their respective shareholders governed by PRC laws and regulations is not void under the Civil Code of the PRC.

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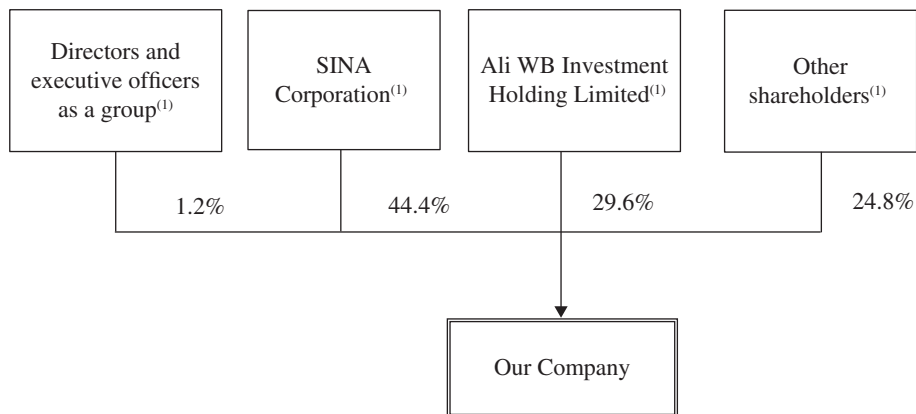
Based on the above, our directors believe that the agreements underlying the contractual arrangements as described above that confer significant control and economic benefits from the VIEs on us are enforceable under the relevant laws. Nevertheless, any violations by the VIE or its shareholder of our agreements with them could disrupt our operations or adversely affect our services. See “Risk Factors — Risks Relating to Our Corporate Structure”.

Additionally, we have been advised by our PRC Legal Adviser that there are substantial uncertainties regarding the interpretation and application of current and future PRC Laws. Accordingly, PRC regulatory authorities or courts may take a view that is contrary to the opinion of our PRC Legal Adviser. It is uncertain whether any new PRC laws relating to contractual arrangements will be adopted, what the Laws would provide. If we or any of the VIEs is found to be in violation of existing or future PRC laws, or fail to obtain or maintain any of the required permits or approvals, the relevant PRC regulatory authority would have broad discretion to take action in dealing with the violation or failure, in which case we could be subject to severe penalties, including being prohibited from continuing our operations or unwinding the contractual arrangements. See “Risk Factors — Risks Relating to Our Corporate Structure” and “Risk Factors — Risks Relating to Doing Business in the People’s Republic of China”.

As of the Latest Practicable Date, we had not encountered any interference or encumbrance from any PRC regulators in operating our business through our VIEs under the contractual arrangements.

Shareholding Structure

The following diagram illustrates our shareholding structure as at September 30, 2021 (excluding 8,700,524 Class A Ordinary Shares issued and reserved for future issuance upon the exercising or vesting of awards granted under our Share Incentive Plans or any allotment and issuance of Class A ordinary shares upon exercise of the [REDACTED]):

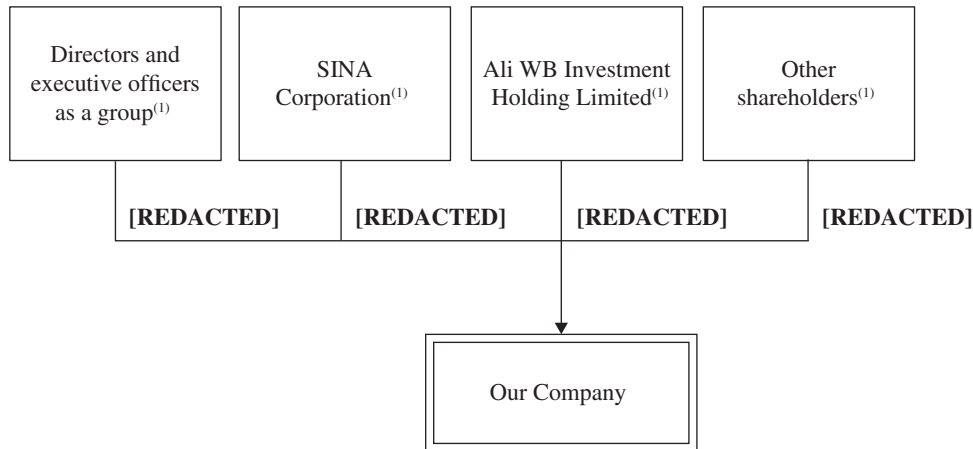


Note:

- (1) See “Major Shareholders” for further details on the voting rights and the beneficial ownership of our directors and executive officers as a group, SINA Corporation, Ali WB and other shareholders. Each holder of Class A ordinary shares is entitled to one vote per share and the holder of our Class B shares is entitled to three votes per share on all matters submitted to them for a vote.

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The following diagram illustrates our shareholding structure immediately upon the completion of the [REDACTED] (assuming all major shareholders’ shareholdings remain unchanged as of the Latest Practicable Date, the [REDACTED] is not exercised, and no additional Shares are issued under the Share Incentive Plans):



Please refer to the details contained in Note (1) above.

Listing on the Nasdaq Global Selected Market

In April 2014, our company completed the initial public offering and has been listed on the Nasdaq Global Selected Market since then. Since the date of our listing on the Nasdaq and up to the Latest Practicable Date, our directors confirm that we had no instances of non-compliance with the rules of the Nasdaq in any material respects and to the best knowledge of our directors having made all reasonable enquiries, there is no matter that should be brought to investors’ attention in relation to our compliance record on the Nasdaq.

We believe that the [REDACTED] on the Hong Kong Stock Exchange will present us with an opportunity to further expand our investor base and broaden our access to capital markets.