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Weibo Corporation
微博股份有限公司

(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)
(Stock Code: 9898)

OVERSEAS REGULATORY ANNOUNCEMENT

We are making this announcement pursuant to Rule 13.10B of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

We filed an annual report on Form 20-F for the fiscal year ended December 31, 2022 (the “**Form 20-F**”) with the Securities and Exchange Commission of the United States. The Form 20-F is attached and is available for viewing on our website at <http://ir.weibo.com>.

By order of the Board
Weibo Corporation
Mr. Charles Guowei Chao
Chairman of the Board

Hong Kong, April 27, 2023

As at the date of this announcement, the board of directors of the Company comprises Mr. Charles Guowei Chao, Mr. Gaofei Wang, Ms. Hong Du and Mr. Pen Hung Tung, as the directors, and Mr. Pochin Christopher Lu, Mr. Pehong Chen and Mr. Yan Wang as the independent directors.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 20-F

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2022

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report

For the transition period from _____ to _____

Commission file number: 001-36397

WEIBO CORPORATION

(Exact name of Registrant as specified in its charter)

Cayman Islands

(Jurisdiction of incorporation or organization)

**8/F, QIHAO Plaza, No. 8 Xinyuan S. Road
Chaoyang District, Beijing 100027
People's Republic of China**

(Address of principal executive offices)

Fei Cao, Chief Financial Officer

Phone: +86 10 5898-3095

Facsimile: +86 10 8260-8888

**8/F, QIHAO Plaza, No. 8 Xinyuan S. Road, Chaoyang District
Beijing 100027, People's Republic of China**

(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
American depository shares, each representing one Class A ordinary share	WB	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)
Class A ordinary shares, par value US\$0.00025 per share	9898	The Stock Exchange of Hong Kong Limited

Securities registered or to be registered pursuant to Section 12(g) of the Act.

Not Applicable

(Title of Class)

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Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

Not Applicable

(Title of Class)

As of December 31, 2022, there were 234,186,394 ordinary shares outstanding, par value US\$0.00025 per share, being the sum of 139,361,056 Class A ordinary shares and 94,825,338 Class B ordinary shares.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

† The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP

International Financial Reporting Standards as issued
by the International Accounting Standards Board

Other

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes No

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INTRODUCTION

Unless otherwise indicated and except where the context otherwise requires, all discrepancies in any table between the amounts identified as total amounts and the sum of the amounts listed herein are due to rounding, and references in this annual report on Form 20-F to:

- “we,” “us,” “our company,” “the Company” or “our” are to Weibo Corporation, a Cayman Islands company, its subsidiaries, and, in the context of describing its operations and consolidated financial information, the Consolidated Affiliated Entities;
- “Weibo” are to our social media platform and the products and services that we provide to users, customers and platform partners through that platform;
- “SINA” are to Sina Corporation, our parent company and controlling shareholder;
- “China” or “PRC” are to the People’s Republic of China;
- “Class A ordinary shares” are to Class A ordinary shares of the share capital of our Company with a par value of US\$0.00025 each, conferring a holder of a Class A ordinary share one vote per share on any resolution tabled at our Company’s general meeting;
- “Class B ordinary shares” are to Class B ordinary shares of the share capital of our Company with a par value of US\$0.00025 each, conferring weighted voting rights in our Company such that a holder of a Class B ordinary share is entitled to three votes per share on any resolution tabled at our Company’s general meeting;
- “Consolidated Affiliated Entities” are to the VIEs and the VIEs’ direct and indirect subsidiaries;
- “CSRC” are to China Securities Regulatory Commission;
- “DAUs” are to daily active users, which are Weibo users who logged on with a unique Weibo ID and accessed Weibo through our website, mobile website, desktop or mobile applications, SMS or connections via our platform partners’ websites or applications that are integrated with Weibo, on a given day, and “average DAUs” for a month refers to the average of the DAUs for each day during the month. The numbers of our DAUs are calculated using internal company data that has not been independently verified and we treat each account as a separate user for purposes of calculating DAUs, although it is possible that certain individuals or organizations may have set up on more than one account and certain accounts are used by multiple individuals within an organization;
- “feeds” include both posts and reposts;
- “HK\$,” “Hong Kong dollars” or “HK dollars” are to Hong Kong dollars, the lawful currency of Hong Kong;
- “Hong Kong,” “HK” or “Hong Kong S.A.R.” are to the Hong Kong Special Administrative Region of the PRC;
- “Hong Kong Listing Rules” are to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended or supplemented from time to time;
- “Hong Kong Share Registrar” are to Computershare Hong Kong Investor Services Limited;
- “Hong Kong Stock Exchange” are to The Stock Exchange of Hong Kong Limited;
- “Main Board” are to the stock market (excluding the option market) operated by the Hong Kong Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Hong Kong Stock Exchange;

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- “MAUs” are to monthly active users, which are Weibo users who logged on with a unique Weibo ID and accessed Weibo through our website, mobile website, desktop or mobile applications, SMS or connections via our platform partners’ websites or applications that are integrated with Weibo, during a given calendar month. The numbers of our MAUs are calculated using internal company data that has not been independently verified, and we treat each account as a separate user for purposes of calculating MAUs, although it is possible that certain individuals or organizations may have set up on more than one account and certain accounts are used by multiple individuals within an organization;
- “top content creators” are to content creators with more than 10,000 followers as of the end of a given month, or 10,000 monthly views on Weibo in a given month, excluding duplicates;
- “SFO” or “Securities and Futures Ordinance” are to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time;
- “shares” or “ordinary shares” are to our Class A and Class B ordinary shares, par value US\$0.00025 per share;
- “VIEs” or “variable interest entities” are to entities including, among others, Beijing Weimeng Technology Co., Ltd., or Weimeng, and Beijing Weimeng Chuangke Investment Management Co., Ltd., or Weimeng Chuangke, all of which are domestic PRC companies in which we do not have equity interests but whose financial results have been consolidated into our consolidated financial statements in accordance with U.S. GAAP;
- “ADSs” are to our American depositary shares. Each ADS represents one Class A ordinary share;
- “U.S. GAAP” are to generally accepted accounting principles in the United States; and
- all references to “RMB” or “renminbi” are to the legal currency of China, and all references to “dollars,” “US\$” and “U.S. dollars” are to the legal currency of the United States. Unless otherwise noted, all translations from RMB to U.S. dollars and from U.S. dollars to RMB in this annual report were made at a rate of RMB6.8972 to US\$1.00, the exchange rate on December 30, 2022 as set forth in the H.10 statistical release published by the Federal Reserve Board.

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements that involve risks and uncertainties. All statements other than statements of current or historical facts are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements.

You can identify these forward-looking statements by words or phrases such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “likely to” or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, but are not limited to, statements about:

- our goals and strategies;
- our future business development, financial condition and results of operations;
- our continuing investments in our businesses;
- our ability to attract and retain users and customers and generate revenue and profit from our customers;
- our ability to retain key personnel and attract new talent;
- competition in social media, social networking, online marketing, and other businesses in which we engage;
- fluctuations in general economic and business conditions in China and globally;
- the outcome of ongoing or any future litigation or arbitration, including those relating to intellectual property rights;
- the growth of social media, internet and mobile users and internet and mobile advertising in China;
- PRC governmental policies relating to media, the internet, internet content providers and online advertising, and the implementation of a corporate structure involving VIEs in China;
- impact of COVID-19 on our operations and financial performance; and
- other factors described under “Item 3. Key Information—D. Risk Factors.”

You should thoroughly read this annual report and the documents that we refer to in this annual report with the understanding that our actual future results may be materially different from and worse than what we expect. Other sections of this annual report include additional factors which could adversely impact our business and financial performance. Moreover, we operate in an evolving environment. New risk factors and uncertainties emerge from time to time and it is not possible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our 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. We qualify all of our forward-looking statements by these cautionary statements.

You should not rely upon forward-looking statements as predictions of future events. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not Applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

Our Holding Company Structure and Contractual Arrangements with the VIEs and Their Respective Individual Shareholders

Weibo Corporation is not an operating company in China, but a Cayman Islands holding company with no equity ownership in its VIEs. We conduct our operations in China through our PRC subsidiaries and the VIEs with which we have maintained contractual arrangements and their subsidiaries in China. PRC laws and regulations impose certain restrictions or prohibitions on foreign ownership of companies that engage in internet and other related businesses, including the provision of internet content and online game operations. Accordingly, we operate these businesses in China through the VIEs, and rely on contractual arrangements among our PRC subsidiaries, the VIEs and their shareholders to control the business operations of the VIEs. Revenues contributed by the VIEs and their subsidiaries accounted for 78.1%, 80.7% and 83.9% of our total revenues for the years of 2020, 2021 and 2022, respectively. As used in this annual report, “we,” “us,” “our company,” “the Company” or “our” refers to Weibo Corporation, a Cayman Islands company, its subsidiaries, and, in the context of describing its operations and consolidated financial information, the Consolidated Affiliated Entities, including, but not limited to, Weimeng, Weimeng Chuangke and their direct and indirect subsidiaries. Investors of our ADSs are not purchasing equity interest in our operating entities in China but instead are purchasing equity interest in a Cayman Islands holding company.

A series of contractual agreements, including loan agreements, share transfer agreements, loan repayment agreements, agreement on authorization to exercise shareholder’s voting power, share pledge agreements, exclusive technical services agreement, exclusive sales agency agreement, trademark license agreement, and spousal consent letters, have been entered into by and among our PRC subsidiaries, the VIEs and their respective shareholders. Terms contained in each set of contractual arrangements with our PRC subsidiaries, the VIEs and their respective shareholders are substantially similar. For more details of these contractual arrangements, see “Item 4. Information on the Company—C. Organizational Structure—Contractual Arrangements with the VIEs and Their Respective Individual Shareholders.”

The contractual arrangements may not be as effective as direct ownership in providing us with control over the VIEs. If any of these VIEs or their shareholders fail to perform their respective obligations under the contractual arrangements, we may incur substantial costs to enforce the terms of the arrangements. All of these contractual arrangements are governed by and interpreted in accordance with PRC law, and disputes arising from these contractual arrangements will be resolved through arbitration in China. There remain significant uncertainties regarding the ultimate outcome of arbitration should legal action become necessary. These uncertainties could limit our ability to enforce these contractual arrangements. Furthermore, the shareholders of the VIEs may not act in the best interests of our company or may not perform their obligations under these contracts. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Corporate Structure—We rely on contractual arrangements with the VIEs and their respective shareholders for our operations in China, which may not be as effective in providing operational control as direct ownership” and “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Corporate Structure—Shareholders of the VIEs may have potential conflicts of interest with us, which may affect the performance of the contractual arrangements with the VIEs and their respective shareholders, which may in turn materially and adversely affect our business and financial condition.”

Our corporate structure is subject to risks associated with our contractual arrangements with the VIEs. Our contractual arrangements with the VIEs have not been tested in court to date. Investors may never directly hold equity interests in the VIEs. If the PRC government determines that the contractual arrangements constituting part of the VIE structure do not comply with PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations. The PRC regulatory authorities could disallow the VIE structure, which would likely result in a material adverse change in our operations, and our ADSs and/or Class A ordinary shares may decline significantly in value or become worthless. Our holding company, our PRC subsidiaries, the VIEs, and investors of our company face uncertainty about potential future actions by the PRC government that could affect the enforceability of the contractual arrangements with the VIEs and, consequently, significantly affect the financial performance of the VIEs and our company as a whole.

There are also substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules regarding the status of the rights of our Cayman Islands holding company with respect to its contractual arrangements with the VIEs and their respective shareholders. It is uncertain whether any new PRC laws or regulations relating to variable interest entity structures will be adopted or if adopted, what they would provide. If we or any of the VIEs is found to be in violation of any existing or future PRC laws or regulations, or fail to obtain or maintain any of the required permits or approvals, the relevant PRC regulatory authorities would have broad discretion to take action in dealing with such violations or failures. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Corporate Structure—If the PRC government determines that the contractual arrangements constituting part of the VIE structure do not comply with PRC regulations on foreign investment in internet and other related businesses, or if these regulations or their interpretation change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations,” and “—Uncertainties exist with respect to the interpretation and implementation of the PRC Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations.”

We face various legal and operational risks and uncertainties associated with being based in or having our operations primarily in China and the complex and evolving PRC laws and regulations. For example, we face risks associated with regulatory approvals on offerings conducted overseas by and foreign investment in China-based issuers, the use of the VIEs, anti-monopoly regulatory actions, and oversight on cybersecurity and data privacy. We face risks associated with the lack of Public Company Accounting Oversight Board, or the PCAOB, inspection on our auditors so determined by the announcement of the PCAOB issued on December 16, 2021, which may impact our ability to conduct certain businesses, accept foreign investments, or list on United States or other foreign exchange outside of China. These risks could result in a material adverse change in our operations and the value of our ADSs, significantly limit or completely hinder our ability to offer or continue to offer securities to investors, or cause the value of such securities to significantly decline or become worthless. For a detailed description of risks related to doing business in China, “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China.”

PRC government’s significant authority in regulating our operations and its oversight and control over offerings conducted overseas by, and foreign investment in, China-based issuers could significantly limit or completely hinder our ability to offer or continue to offer securities to investors. Implementation of industry-wide regulations in this nature may cause the value of such securities to significantly decline or be of little or no value. For more details, see “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—The PRC government’s significant oversight and discretion over our business operation could result in a material adverse change in our operations and the value of our listed securities.”

The PRC regulatory and enforcement regime with regard to data security and privacy is evolving and may be subject to different interpretations or significant changes without prior notice. In the event that any new development requires us to change our business operations relevant to data security, data privacy or cybersecurity in general, we cannot assure you that we can comply with such new requirements in a timely manner or at all. For examples, the PRC Data Security Law and the Personal Information Protection Law released in 2021 posed additional challenges to our cybersecurity and data privacy compliance. The Measures for Cybersecurity Review promulgated in December 2021 and the draft Administrative Measures for Internet Data Security published for public comments in November 2021 imposed potential additional restrictions on China-based overseas-listed companies like us. If the Measures for Cybersecurity Review and the enacted version of the draft Administrative Measures for Internet Data Security mandate clearance of cybersecurity review and other specific actions to be taken by issuers like us, we will face uncertainties as to whether these additional procedures can be completed by us timely, or at all, which may subject us to government enforcement actions and investigations, fines, penalties, or suspension of our non-compliant operations, and materially and adversely affect our business and results of operations and the price of our ADSs and/or Class A ordinary shares. The Outbound Data Transfer Security Assessment Measures, with effect from September 1, 2022, require a data processor to apply for security assessment with the CAC before providing important data or personal information to overseas recipients under certain circumstances and the Personal Information Outbound Transfer Standard Contract Measures, with effect from June 1, 2023, provide that a personal information processor who provides personal information to overseas recipients through execution of standard contract with such overseas recipient shall meet certain criteria, conduct a personal information protection impact assessment before providing any personal information to an overseas recipient, and complete the filing with local cybersecurity authority within ten working days from the effective date of the standard contract. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—Privacy concerns relating to our products and services and the use of user information could damage our reputation, deter current and potential users and customers from using Weibo and negatively impact our business.”

On February 17, 2023, the CSRC issued Trial Administrative Measures of Overseas Securities Offerings and Listings by Domestic Companies, or the Trial Measures, with effect from March 31, 2023, and the No.1 to No.5 Supporting Guidance Rules, collectively, the Guidance Rules. The Trial Measures, together with the Guidance Rules, establish a new regime to regulate overseas offerings and listings by domestic companies. Any future securities offerings and listings outside of mainland China by our company, including but not limited to follow-on offerings, issuance of convertible corporate bonds and exchangeable bonds, and other equivalent offering activities, either directly or indirectly, will be subject to the filing requirements with CSRC under the Trial Measures. Therefore, we will be required to file with the CSRC for our overseas offering of equity and equity linked securities in the future within the applicable scope of the Filing Measures. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—The approval of and the filing with the CSRC or other PRC government authorities may be required in connection with our future offshore offerings under PRC law, and, if required, we cannot predict whether or for how long we will be able to obtain such approval or complete such filing.”

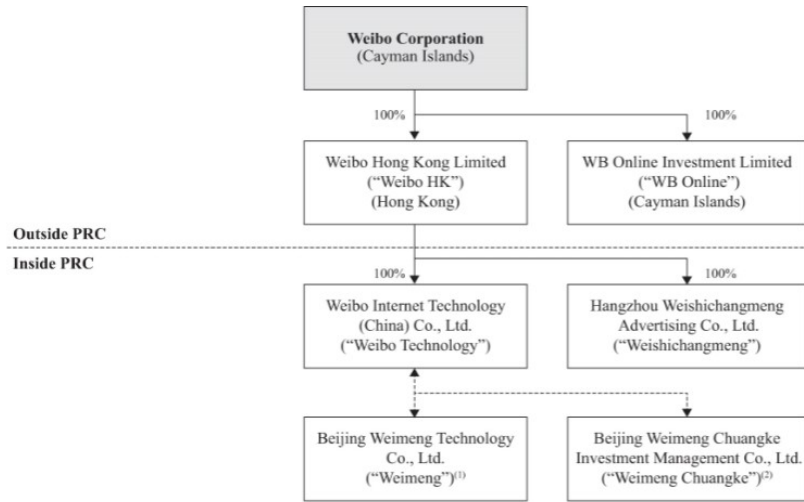
Furthermore, the PRC anti-monopoly regulators have promulgated new anti-monopoly and competition laws and regulations, including PRC Anti-Monopoly Law, with effect from August 1, 2022, four implementing rules for the new Anti-Monopoly Law, with effect from April 15, 2023, and the Supreme People’s Court’s s Interpretation on Several Issues Concerning the Application of the PRC Anti-Unfair Competition Law, with effect from March 20, 2022, and strengthened the enforcement under these laws and regulations. There remain uncertainties as to how the laws, regulations and guidelines recently promulgated will be implemented and whether these laws, regulations and guidelines will have a material impact on our business, financial condition, results of operations and prospects. We cannot assure you that our business operations comply with such regulations and authorities’ requirements in all respects. If any non-compliance is raised by relevant authorities and determined against us, we may be subject to fines and other penalties. See “Item 3. Key Information—Risk Factors—Risks Relating to Doing Business in China—Any failure or perceived failure by us to comply with the Anti-Monopoly Guidelines for Internet Platforms Economy Sector and other PRC anti-monopoly laws and regulations may result in governmental investigations or enforcement actions, litigation or claims against us and could have an adverse effect on our business, financial condition and results of operations.

These risks could result in a material adverse change in our operations and the value of our ADSs and/or Class A ordinary shares, significantly limit or completely hinder our ability to continue to offer securities to investors, or cause the value of such securities to significantly decline or be worthless. For a detailed description of risks related to doing business in China, see “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China.

Risks and uncertainties arising from the legal system in China, including risks and uncertainties regarding the enforcement of laws and quickly evolving rules and regulations in China, could result in a material adverse change in our operations and the value of our ADSs. For more details, see “Item 3. Key Information—D. Risk Factors— Risks Relating to Doing Business in China—Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to you and us.”

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The following diagram illustrates our corporate structure, including our major subsidiaries and the VIEs, as of the date of this annual report.



→ 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, trademark license agreement and spousal consent letters.

- (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. See also "Item 4. Information on the Company—C. Organizational Structure—Minority Investment in Weimeng" and "Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections."
- (2) The shareholders of Weimeng Chuangke are two PRC employees of us or SINA, namely, Yunli Liu and Wei Wang, holding 50% and 50% of Weimeng Chuangke's equity interests, respectively.

Permissions Required from the PRC Authorities for Our Operations

We conduct our business primarily through our PRC subsidiaries, the VIEs and their subsidiaries in China. Our operations in China are governed by PRC laws and regulations. As of the date of this annual report, our PRC Consolidated Affiliated Entities have obtained the requisite licenses and permits from the PRC government authorities that are material for the business operations of our holding company, our subsidiaries and the VIEs in China, including, among others, the Internet Content Provision License and Online Culture Operating Permit held by Weimeng. However, given the uncertainties of interpretation and implementation of relevant laws and regulations and the enforcement practice by government authorities, we cannot assure you that we have obtained all the permits or licenses required for conducting our business in China. For example, Weimeng is not qualified to obtain the internet audio/video program transmission license under the current legal regime as it is not a wholly state-owned or state-controlled company and it was not operating prior to the issuance of the Rules for the Administration of Internet Audio and Video Program Services, commonly known as Circular 56. Weimeng plans to apply for an internet audio/video program transmission license when feasible to do so. In addition, an internet publishing permit might be necessary for our provisions of online game related services and the contents generated by our users on our platform. Weimeng has been actively communicating with the relevant regulator for the application of an internet publishing permit. Furthermore, although most of the games on our website have obtained approval from the National Press and Publication Administration, or the NPPA, certain games may not be able to obtain such approval due to the narrow interpretation of the scope of “game” adopted by NPPA in practice. We may be required to obtain additional licenses, permits, filings or approvals for the functions and services of our platform in the future. If we, our subsidiaries or the VIEs do not receive or maintain any necessary permissions or approvals, inadvertently conclude that such permissions or approvals are not required, or if applicable laws, regulations, or interpretations change and we are required to obtain such permissions or approvals in the future, we cannot assure you that we will be able to obtain the necessary permissions or approvals in a timely manner, or at all, and such approvals may be rescinded even if obtained. Any such circumstance could subject us to penalties, including fines, suspension of business and revocation of required licenses, significantly limit or completely hinder our ability to continue to offer securities to investors and cause the value of such securities to significantly decline or be worthless. For more details, see “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—We may be adversely affected by the complexity, uncertainties and changes in PRC licensing and regulation of internet businesses.”

In connection with our previous issuance of securities to foreign investors, as of the date of this annual report, we, our PRC subsidiaries and the VIEs, (i) are not required to obtain permissions from the CSRC, (ii) are not required to go through cybersecurity review by the Cyberspace Administration of China, or the CAC, and (iii) have not received or were denied such requisite permissions by any PRC authority. As advised by our PRC legal counsel, TransAsia Lawyers, under the currently effective PRC laws and regulations, we are not required to obtain any permission from or complete any filing with the CSRC or go through a cybersecurity review by the CAC for our historical issuance of securities to foreign investors.

However, the PRC government has recently indicated an intent to exert more oversight and control over offerings that are conducted overseas and/or foreign investment in China-based issuers. For more details, see “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—The approval of and the filing with the CSRC or other PRC government authorities may be required in connection with our future offshore offerings under PRC law, and, if required, we cannot predict whether or for how long we will be able to obtain such approval or complete such filing.”

The Holding Foreign Companies Accountable Act

Pursuant to the Holding Foreign Companies Accountable Act, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspections by the PCAOB for two consecutive years, the SEC will prohibit our shares or the ADSs from being traded on a national securities exchange or in the over-the-counter trading market in the United States.

On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong, including our auditor. In March 2022, the SEC conclusively listed us as a Commission-Identified Issuer under the HFCAA following the filing of the annual report on Form 20-F for the fiscal year ended December 31, 2021.

On December 15, 2022, the PCAOB removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. For this reason, we do not expect to be identified as a Commission-Identified Issuer under the HFCAA after we file this annual report on Form 20-F.

Each year, the PCAOB will determine whether it can inspect and investigate completely audit firms in mainland China and Hong Kong, among other jurisdictions. If PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we would be identified as a Commission-Identified Issuer following the filing of the annual report on Form 20-F for the relevant fiscal year. There can be no assurance that we would not be identified as a Commission-Identified Issuer for any future fiscal year, and if we were so identified for two consecutive years, we would become subject to the prohibition on trading under the HFCAA. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors with the benefits of such inspections” and “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—Our ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.”

Cash and Asset Flows through Our Organization

Weibo Corporation transfers cash to its wholly owned Hong Kong subsidiaries, by making capital contributions or providing loans, and the Hong Kong subsidiaries transfer cash to the subsidiaries in China by making capital contributions or providing loans to them. Because Weibo Corporation and its subsidiaries control the VIEs through contractual arrangements, they are not able to make direct capital contribution to the VIEs and their subsidiaries. However, they may transfer cash to the VIEs by loans or by making payment to the VIEs for inter-group transactions.

Under the currently effective PRC laws and regulations, Weibo Corporation may provide funding to our PRC subsidiaries only through capital contributions or loans, and to the Consolidated Affiliated Entities only through loans, subject to satisfaction of applicable government registration and approval requirements. We currently do not have cash management policies in place that dictate how funds are transferred between Weibo Corporation, our subsidiaries, and the Consolidated Affiliated Entities. Rather, the funds can be transferred in accordance with the applicable PRC laws and regulations.

For the years ended December 31, 2020, 2021 and 2022, no assets other than cash were transferred through our organization.

For the years ended December 31, 2020, 2021 and 2022, the VIEs received debt financing of US\$285.9 million, US\$157.0 million and US\$232.3 million from WFOEs, respectively. In addition, for the year ended December 31, 2022, the VIEs also received US\$377.0 million from WFOEs as a repayment of cash advances that the VIEs historically provided to the WFOEs when service fees could not be settled in time.

For the years ended December 31, 2020 and 2021, Weibo Corporation loaned an aggregate amount of US\$144.3 million and US\$287.3 million to its subsidiaries, respectively. For the year ended December 31, 2022, Weibo Corporation received net cash of US\$0.2 million from its subsidiaries.

For the years ended December 31, 2020, 2021 and 2022, there were no cash flows between Weibo Hong Kong Limited, the intermediate holding company, and Weibo Technology, the WFOE.

The VIEs may transfer cash to the relevant WFOE by paying service fees according to the exclusive technical services agreement, exclusive sales agency agreement and trademark license agreement. For the years ended December 31, 2020, 2021 and 2022, the total amount of service fees that VIEs paid to the relevant WFOE under the exclusive technical services agreement, exclusive sales agency agreement and trademark license agreement was US\$812.8 million, US\$780.3 million and US\$1,076.4 million, respectively.

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For the years ended December 31, 2020, 2021 and 2022, no dividends or distributions were made to Weibo Corporation by our subsidiaries. Under PRC laws and regulations, our PRC subsidiaries and VIEs are subject to certain restrictions with respect to paying dividends or otherwise transferring any of their net assets to us. Remittance of dividends by a wholly foreign-owned enterprise out of China is also subject to examination by the banks designated by SAFE. The amounts restricted include the paid-up capital and the statutory reserve funds of our PRC subsidiaries and VIEs, totaling US\$451.7 million, US\$480.7 million and US\$566.9 million as of December 31, 2020, 2021 and 2022, respectively. Furthermore, cash transfers from our PRC subsidiaries to entities outside of China are subject to PRC government control of currency conversion. Shortages in the availability of foreign currency may temporarily delay the ability of our PRC subsidiaries and VIEs to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy their foreign currency denominated obligations. For risks relating to the fund flows of our operations in China, see “Item 3. Key Information—Risk Factors—Risks Relating to Doing Business in China—Any limitation on the ability of our PRC subsidiaries to make payments to us, or the tax implications of making payments to us, could have a material adverse effect on our ability to conduct our business or our financial condition.”

Weibo Corporation has not declared or paid any cash dividends, nor does it have any present plan to pay any cash dividends on its ordinary shares in the foreseeable future. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business. See “Item 8. Financial Information—A. Consolidated Statements and Other Financial Information—Dividend Policy.” For the Cayman Islands, PRC and U.S. federal income tax considerations applicable to an investment in our ADSs or Class A ordinary shares, see “Item 10. Additional Information—E. Taxation.”

For purposes of illustration, the following discussion reflects the hypothetical taxes that might be required to be paid within mainland China, assuming that: (i) we have taxable earnings, and (ii) we determine to pay a dividend in the future:

	Tax calculation ⁽¹⁾
Hypothetical pre-tax earnings ⁽²⁾	100 %
Tax on earnings at statutory rate of 25% ⁽³⁾	(25)%
Net earnings available for distribution	75 %
Withholding tax at standard rate of 10% ⁽⁴⁾	(7.5)%
Net distribution to Parent/Shareholders	67.5 %

Notes:

- (1) For purposes of this example, the tax calculation has been simplified. The hypothetical book pre-tax earnings amount, not considering timing differences, is assumed to equal taxable income in China.
- (2) Under the terms of VIE agreements, our PRC subsidiaries may charge the VIEs for services provided to VIEs. These service fees shall be recognized as expenses of the VIEs, with a corresponding amount as service income by our PRC subsidiaries and eliminate in consolidation. For income tax purposes, our PRC subsidiaries and VIEs file income tax returns on a separate company basis. The service fees paid are recognized as a tax deduction by the VIEs and as income by our PRC subsidiaries and are tax neutral.
- (3) Certain of our subsidiaries and VIEs qualifies for a 15% preferential income tax rate in China. However, such rate is subject to qualification, is temporary in nature, and may not be available in a future period when distributions are paid. For purposes of this hypothetical example, the table above reflects a maximum tax scenario under which the full statutory rate would be effective.
- (4) The PRC Enterprise Income Tax Law imposes a withholding income tax of 10% on dividends distributed by a foreign invested enterprise, or FIE, to its immediate holding company outside of China. A lower withholding income tax rate of 5% is applied if the FIE’s immediate holding company is registered in Hong Kong or other jurisdictions that have a tax treaty arrangement with China and is not considered a PRC resident enterprise, subject to a qualification review at the time of the distribution. For purposes of this hypothetical example, the table above assumes a maximum tax scenario under which the full withholding tax would be applied.

The table above has been prepared under the assumption that all profits of the VIEs will be distributed as fees to our PRC subsidiaries under tax neutral contractual arrangements. If, in the future, the accumulated earnings of the VIEs exceed the service fees paid to our PRC subsidiaries (or if the current and contemplated fee structure between the intercompany entities is determined to be non-substantive and disallowed by Chinese tax authorities), the VIEs could make a non-deductible transfer to our PRC subsidiaries for the amounts of the stranded cash in the VIEs. This would result in such transfer being non-deductible expenses for the VIEs but still taxable income for the PRC subsidiaries. Such a transfer and the related tax burdens would reduce our after-tax income to approximately 50.6% of the pre-tax income. Our management believes that there is only a remote possibility that this scenario would happen.

Financial Information Related to the VIEs

The following tables present the condensed consolidating schedule of financial information for Weibo Corporation, its wholly owned subsidiary that is the primary beneficiary of the VIEs for accounting purpose only, namely, Weibo Technology, our other subsidiaries, the VIEs and the VIEs' subsidiaries as of the dates presented.

Condensed Consolidating Statements of Operations

	For the Year Ended December 31, 2022					
	Weibo Corporation	Other Subsidiaries	Primary	VIEs and VIEs' Subsidiaries	Eliminating adjustments	Consolidated Totals
			Beneficiary of VIEs*			
(In US\$ thousands)						
Third party revenues	—	181,689	114,058	1,540,585	—	1,836,332
Intercompany revenue ⁽¹⁾	—	—	745,150	—	(745,150)	—
Total revenues	—	181,689	859,208	1,540,585	(745,150)	1,836,332
Intercompany costs and expenses	—	—	—	(745,150)	745,150	—
Other cost and expenses	(115,870)	(81,511)	(473,352)	(685,131)	—	(1,355,864)
Total costs and expenses	(115,870)	(81,511)	(473,352)	(1,430,281)	745,150	(1,355,864)
Share of income (loss) of subsidiaries ⁽²⁾	305,672	393,327	—	—	(698,999)	—
Income (loss) of the VIE ⁽³⁾	—	—	(18,356)	—	18,356	—
Income (loss) from non-operations	(104,247)	(189,320)	46,054	(104,869)	—	(352,382)
Income (loss) before income tax expenses	85,555	304,185	413,554	5,435	(680,643)	128,086
Less: income tax expenses (benefits)	—	(1,486)	20,227	11,536	—	30,277
Net income (loss)	85,555	305,671	393,327	(6,101)	(680,643)	97,809
Less: net income (loss) attributable to non-controlling interests and redeemable non-controlling interests	—	(1)	—	12,255	—	12,254
Net income (loss) attributable to Weibo's shareholders	85,555	305,672	393,327	(18,356)	(680,643)	85,555

For the Year Ended December 31, 2021						
	Weibo Corporation	Other Subsidiaries	Primary Beneficiary of VIEs*	VIEs and VIEs' Subsidiaries	Eliminating adjustments	Consolidated Totals
	(In US\$ thousands)					
Third party revenues	830	232,857	202,102	1,821,294	—	2,257,083
Intercompany revenue ⁽¹⁾	—	—	1,026,210	—	(1,026,210)	—
Total revenues	830	232,857	1,228,312	1,821,294	(1,026,210)	2,257,083
Intercompany costs and expenses	—	—	—	(1,026,210)	1,026,210	—
Other cost and expenses	(91,572)	(109,613)	(623,559)	(734,927)	—	(1,559,671)
Total costs and expenses	(91,572)	(109,613)	(623,559)	(1,761,137)	1,026,210	(1,559,671)
Share of income (loss) of subsidiaries ⁽²⁾	568,738	548,021	—	—	(1,116,759)	—
Income (loss) of the VIE ⁽³⁾	—	—	(36,406)	—	36,406	—
Income (loss) from non-operations	(49,677)	(79,862)	52,556	(69,711)	—	(146,694)
Income (loss) before income tax expenses	428,319	591,403	620,903	(9,554)	(1,080,353)	550,718
Less: income tax expenses	—	22,621	72,882	43,338	—	138,841
Net income (loss)	428,319	568,782	548,021	(52,892)	(1,080,353)	411,877
Less: net income (loss) attributable to non-controlling interests and redeemable non-controlling interests	—	44	—	(16,486)	—	(16,442)
Net income (loss) attributable to Weibo's shareholders	428,319	568,738	548,021	(36,406)	(1,080,353)	428,319

For the Year Ended December 31, 2020						
	Weibo Corporation	Other Subsidiaries	Primary Beneficiary of VIEs*	VIEs and VIEs' Subsidiaries	Eliminating adjustments	Consolidated Totals
	(In US\$ thousands)					
Third party revenues	314	152,188	218,349	1,319,080	—	1,689,931
Intercompany revenue ⁽¹⁾	—	—	767,707	—	(767,707)	—
Total revenues	314	152,188	986,056	1,319,080	(767,707)	1,689,931
Intercompany costs and expenses	—	—	—	(767,707)	767,707	—
Other cost and expenses	(68,725)	(85,271)	(496,429)	(532,708)	—	(1,183,133)
Total costs and expenses	(68,725)	(85,271)	(496,429)	(1,300,415)	767,707	(1,183,133)
Share of income (loss) of subsidiaries ⁽²⁾	411,828	301,251	—	—	(713,079)	—
Income (loss) of the VIE ⁽³⁾	—	—	(129,126)	—	129,126	—
Income (loss) from non-operations	(30,053)	49,057	(8,600)	(141,289)	—	(130,885)
Income (loss) before income tax expenses	313,364	417,225	351,901	(122,624)	(583,953)	375,913
Less: income tax expenses	—	5,657	50,650	5,009	—	61,316
Net income (loss)	313,364	411,568	301,251	(127,633)	(583,953)	314,597
Less: net income (loss) attributable to non-controlling interests and redeemable non-controlling interests	—	(260)	—	1,493	—	1,233
Net income (loss) attributable to Weibo's shareholders	313,364	411,828	301,251	(129,126)	(583,953)	313,364

Condensed Consolidating Statements of Balance Sheets

	As of December 31, 2022					
	Weibo Corporation	Other Subsidiaries	Primary Beneficiary of VIEs*	VIEs and VIEs' Subsidiaries	Eliminating adjustments	Consolidated Totals
	(In US\$ thousands)					
Cash and cash equivalents	1,079,259	414,914	539,017	657,578	—	2,690,768
Short-term investments	250,396	939	175,271	53,822	—	480,428
Accounts receivable	—	34,877	483	467,083	—	502,443
Prepaid expenses and other current assets	2,349	152,937	56,700	179,516	—	391,502
Amount due from Group companies ⁽⁴⁾	1,032,725	(1,976)	2,000,049	—	(3,030,798)	—
Amount due from SINA	391,124	45,437	32,648	17,908	—	487,117
Investment in subsidiaries ⁽²⁾	3,029,289	3,066,174	—	—	(6,095,463)	—
Net assets of the VIEs ⁽³⁾	—	—	(96,649)	—	96,649	—
Property and equipment, net	—	180,224	67,688	1,641	—	249,553
Operating lease assets	—	137,228	27,364	25,776	—	190,368
Intangible assets, net	—	216	—	124,856	—	125,072
Goodwill	—	—	—	120,151	—	120,151
Long-term investments	—	602,503	63,704	327,423	—	993,630
Other non-current assets	1,000	55,936	545,986	295,500	—	898,422
Total assets	5,786,142	4,689,409	3,412,261	2,271,254	(9,029,612)	7,129,454
Accounts payable	—	7,244	56,516	97,269	—	161,029
Accrued and other liabilities	34,320	269,108	204,577	405,979	—	913,984
Income taxes payable	—	5,957	24,270	25,055	—	55,282
Deferred revenues	—	3,699	30,817	45,433	—	79,949
Amount due to Group companies ⁽⁴⁾	—	1,354,299	—	1,676,499	(3,030,798)	—
Operating lease liability	—	11,330	27,318	26,756	—	65,404
Deferred tax liability	—	10,440	2,589	28,665	—	41,694
Unsecured senior notes	1,540,717	—	—	—	—	1,540,717
Long-term loans	880,855	—	—	—	—	880,855
Total liabilities	2,455,892	1,662,077	346,087	2,305,656	(3,030,798)	3,738,914
Redeemable non-controlling interests	—	—	—	45,795	—	45,795
Total shareholders' equity	3,330,250	3,027,332	3,066,174	(80,197)	(5,998,814)	3,344,745
Total liabilities, redeemable non-controlling interests and shareholders' equity	5,786,142	4,689,409	3,412,261	2,271,254	(9,029,612)	7,129,454

	As of December 31, 2021					
	Weibo Corporation	Other Subsidiaries	Primary Beneficiary of VIEs*	VIEs and VIEs' Subsidiaries	Eliminating adjustments	Consolidated Totals
	(In US\$ thousands)					
Cash and cash equivalents	1,027,431	327,291	885,438	183,543	—	2,423,703
Short-term investments	500,225	100,365	—	110,472	—	711,062
Accounts receivable	—	68,242	4,569	650,278	—	723,089
Prepaid expenses and other current assets	54,980	137,333	97,691	160,722	—	450,726
Amount due from Group companies ⁽⁴⁾	1,054,147	(3,145)	1,607,529	—	(2,658,531)	—
Amount due from SINA	327,178	3,440	127,371	36,211	—	494,200
Investment in subsidiaries ⁽²⁾	3,106,184	3,063,879	—	—	(6,170,063)	—
Net assets of the VIEs ⁽³⁾	—	—	(90,419)	—	90,419	—
Property and equipment, net	—	517	66,067	1,812	—	68,396
Operating lease assets	—	1,586	30,884	28,049	—	60,519
Intangible assets, net	—	—	—	166,930	—	166,930
Goodwill	—	—	—	130,405	—	130,405
Long-term investments	—	698,909	68,820	439,922	—	1,207,651
Other non-current assets	1,000	15,584	714,249	352,008	—	1,082,841
Total assets	6,071,145	4,414,001	3,512,199	2,260,352	(8,738,175)	7,519,522
Accounts payable	—	7,068	61,077	129,498	—	197,643
Accrued and other liabilities	41,935	57,992	240,240	480,866	—	821,033
Income taxes payable	—	19,958	82,907	41,882	—	144,747
Deferred revenues	433	2,240	31,115	57,348	—	91,136
Amount due to Group companies ⁽⁴⁾	—	1,196,289	—	1,462,242	(2,658,531)	—
Operating lease liability	—	1,503	30,436	28,022	—	59,961
Deferred tax liability	—	24,721	2,545	39,637	—	66,903
Convertible debt	896,541	—	—	—	—	896,541
Unsecured senior notes	1,538,415	—	—	—	—	1,538,415
Other non-current liabilities	—	1	—	15,122	—	15,123
Total liabilities	2,477,324	1,309,772	448,320	2,254,617	(2,658,531)	3,831,502
Redeemable non-controlling interests	—	—	—	66,622	—	66,622
Total shareholders' equity	3,593,821	3,104,229	3,063,879	(60,887)	(6,079,644)	3,621,398
Total liabilities, redeemable non-controlling interests and shareholders' equity	6,071,145	4,414,001	3,512,199	2,260,352	(8,738,175)	7,519,522

Condensed Consolidating Statements of Cash Flows

	For the Year Ended December 31, 2022					
	Weibo Corporation	Other Subsidiaries	Primary Beneficiary of VIEs*	VIEs and VIEs' Subsidiaries	Eliminating adjustments	Consolidated Totals
	(In US\$ thousands)					
Net cash provided by (used in) operating activities⁽⁵⁾	(35,216)	144,331	591,431	(136,442)	—	564,104
Repayment from (loans to) Group companies	210	—	(232,344)	376,962	(144,828)	—
Other investing activities	239,545	(40,141)	(265,620)	33,202	—	(33,014)
Net cash provided by (used in) investing activities	239,755	(40,141)	(497,964)	410,164	(144,828)	(33,014)
Borrowings (repayment) under loan from Group companies	—	(210)	(376,962)	232,344	144,828	—
Other financing activities	(85,735)	—	—	(5,406)	—	(91,141)
Net cash provided by (used in) financing activities	(85,735)	(210)	(376,962)	226,938	144,828	(91,141)

For the Year Ended December 31, 2021						
	Weibo Corporation	Other Subsidiaries	Primary Beneficiary of VIEs*	VIEs and VIEs' Subsidiaries	Eliminating adjustments	Consolidated Totals
(In US\$ thousands)						
Net cash provided by (used in) operating activities⁽⁵⁾⁽⁶⁾	(29,381)	26,029	481,432	335,940	—	814,020
Loans to Group companies	(287,285)	—	(156,997)	—	444,282	—
Other investing activities	872,207	(227,893)	(484,877)	(583,397)	—	(423,960)
Net cash provided by (used in) investing activities	584,922	(227,893)	(641,874)	(583,397)	444,282	(423,960)
Borrowings under loan from Group companies	—	287,285	—	156,997	(444,282)	—
Other financing activities	189,442	—	—	—	—	189,442
Net cash provided by (used in) financing activities⁽⁷⁾	189,442	287,285	—	156,997	(444,282)	189,442

For the Year Ended December 31, 2020						
	Weibo Corporation	Other Subsidiaries	Primary Beneficiary of VIEs*	VIEs and VIEs' Subsidiaries	Eliminating adjustments	Consolidated Totals
(In US\$ thousands)						
Net cash provided by (used in) operating activities⁽⁵⁾	(32,179)	66,316	550,247	157,262	—	741,646
Capital contribution to Group companies	—	(2,864)	—	—	2,864	—
Loans to Group companies	(144,289)	—	(285,853)	—	430,142	—
Other investing activities	(770,406)	(152,591)	(18,360)	(272,958)	—	(1,214,315)
Net cash provided by (used in) investing activities	(914,695)	(155,455)	(304,213)	(272,958)	433,006	(1,214,315)
Capital contribution from Group companies	—	—	—	2,864	(2,864)	—
Borrowings under loan from Group companies	—	144,289	—	285,853	(430,142)	—
Other financing activities	740,446	—	—	1,517	—	741,963
Net cash provided by (used in) financing activities	740,446	144,289	—	290,234	(433,006)	741,963

* Weibo Technology is treated as the primary beneficiary of the VIEs for accounting purposes only.

- (1) It represents the elimination of the intercompany service charge at the consolidation level.
- (2) It represents the elimination of the investment among Weibo Corporation, other subsidiaries and primary beneficiary of VIEs.
- (3) It represents the elimination of net assets and income (loss) between primary beneficiary of VIEs and VIEs and VIEs' subsidiaries.
- (4) It represents the elimination of intercompany balances among Weibo Corporation, other subsidiaries, primary beneficiary of VIEs, and VIEs and VIEs' subsidiaries.
- (5) For the years ended December 31, 2020, 2021 and 2022, cash paid by the VIEs to Weibo Technology for technical service fees were US\$812.8 million, US\$780.3 million and US\$1,076.4 million, respectively.
- (6) (7) The amount of cash flows provided by operating activities and the amount of cash flows provided by financing activities for the year ended December 31, 2021 have been revised to reflect a reclassification adjustment of US\$145.6 million loans from the primary beneficiary to the VIEs, which was previously classified as operating activities in the "VIEs and VIEs' subsidiaries" column.

A. [Reserved]

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the Offer and Use of Proceeds

Not applicable.

D. Risk Factors

Summary of Risk Factors

An investment in our ADSs or Class A ordinary shares involves significant risks. Below is a summary of material risks we face, organized under relevant headings. All the operational risks associated with being based in and having operations in mainland China as discussed in relevant risk factors under “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business” also apply to operations in Hong Kong. With respect to the legal risks associated with being based in and having operations in mainland China as discussed in relevant risk factors under “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Corporate Structure” and “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China,” the laws, regulations and the discretion of mainland China governmental authorities discussed in this annual report are expected to apply to mainland China entities and businesses, rather than entities or businesses in Hong Kong which operate under a different set of laws from mainland China. These risks are discussed more fully in Item 3. Key Information—D. Risk Factors.

Risks Relating to Our Business

- If we fail to grow our active user base, or if user engagement on our platform declines, our business, financial condition and operating results may be materially and adversely affected.
- If our users and platform partners do not continue to contribute content or their contributions are not valuable to other users, we may experience a decline in user traffic and user engagement.
- We rely on our partnership program with channel partners, which mainly include application pre-install partners, programmatic buying partners and application marketplaces, to drive traffic to our platform, and if our partnership program becomes less effective or if the smartphone market and shipment in China slow down compared to the prior years, traffic to our platform could decline and our business and operating results could be adversely affected.
- If we are unable to compete effectively for user traffic or user engagement, our business and operating results may be materially and adversely affected.
- We may not be able to maintain or grow our revenues or our business.
- We generate a substantial majority of our revenues from online advertising and marketing services. If we fail to generate sustainable revenue and profit through our advertising and marketing services, our result of operations could be materially and adversely affected.

Risks Relating to Our Corporate Structure

- We are a Cayman Islands holding company with no equity ownership in the VIEs. We conduct our operations in China through our PRC subsidiaries, the VIEs with which we have maintained contractual arrangements and their subsidiaries in China. Investors thus are not purchasing the right to convert shares into direct equity interest in our operating entities in China but instead are purchasing the right to convert shares into equity interest in a Cayman Islands holding company. If the PRC government determines that the contractual arrangements constituting part of the VIE structure do not comply with PRC laws and regulations, or if these regulations or their interpretations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations. If the determinations, changes, or interpretations result in our inability to assert contractual control over the VIEs, our ADSs and/or Class A ordinary shares may decline in value or become worthless. Our holding company, our PRC subsidiaries, the VIEs, and investors of our company face uncertainty about potential future actions by the PRC government that could affect the enforceability of the contractual arrangements with the VIEs and, consequently, significantly affect the financial performance of the VIEs and our company as a whole. For a detailed description of the risks associated with our corporate structure, please refer to risks disclosed under “Risk Factors—Risks Relating to Our Corporate Structure.”

Risks Relating to Doing Business in China

- The PRC government’s significant authority in regulating our operations and its oversight and control over offerings conducted overseas by, and foreign investment in, China-based issuers could significantly limit or completely hinder our ability to offer or continue to offer securities to investors. Implementation of industry-wide regulations in this nature may cause the value of such securities to significantly decline or become worthless. For more details, see “Risk Factors—Risks Relating to Doing Business in China—The PRC government’s significant oversight and discretion over our business operation could result in a material adverse change in our operations and the value of our listed securities.”
- Risks and uncertainties arising from the legal system in China, including risks and uncertainties regarding the enforcement of laws and quickly evolving rules and regulations in China, could result in a material adverse change in our operations and the value of our ADSs and Class A ordinary shares. For more details, see “Risk Factors—Risks Relating to Doing Business in China—Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to you and us.”
- Regulation and censorship of information disseminated over the internet in China may adversely affect our business and subject us to liability for information displayed on Weibo. For more detailed information, see “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—Regulation and censorship of information disseminated over the internet in China may adversely affect our business and subject us to liability for information displayed on Weibo.”
- Our ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment. For more details, see “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—Our ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.”
- The approval of and the filing with the CSRC or other PRC government authorities may be required in connection with our future offshore offerings under PRC law, and, if required, we cannot predict whether or for how long we will be able to obtain such approval or complete such filing. For more details, see “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—The approval of and the filing with the CSRC or other PRC government authorities may be required in connection with our future offshore offerings under PRC law, and, if required, we cannot predict whether or for how long we will be able to obtain such approval or complete such filing.”

Risks Relating to Our ADRs and Class A Ordinary Shares

- The trading prices for our listed securities have been and are likely to continue be, volatile, regardless of our operating performance, which could result in substantial losses to our investors.

- We adopt different practices as to certain matters as compared with many other companies listed on the Hong Kong Stock Exchange.
- Substantial future sales or perceived potential sales of our Class A ordinary shares, ADSs, or other equity or equity-linked securities in the public market could cause the price of our Class A ordinary shares and/or ADSs to decline.

Risks Relating to Our Business

If we fail to grow our active user base, or if user engagement on our platform declines, our business, financial condition and operating results may be materially and adversely affected.

The growth of our active user base and the level of user engagement are critical to our business. We had 586 million MAUs and 252 million average DAUs in December 2022. Our business has been and will continue to be significantly affected by our success in growing and retaining massive active users and increasing their overall level of engagement on our platform, including their engagement with promoted feeds, other advertising and marketing products and value-added services on our platform. We anticipate that our user growth rate will slow over time as the size of our user base increases and as we achieve higher market penetration in China's internet population. To the extent our user growth rate slows or the number of our users declines, our success will become increasingly dependent on our ability to retain existing users and enhance user activities and stickiness on the platform. If people do not perceive content and other products and services on our platform to be interesting and useful, we may not be able to retain and attract users or increase their engagement. A number of user-oriented websites and mobile applications that achieved early popularity have since seen their user bases or levels of engagement decline, in some cases precipitously. There is no guarantee that we will not experience a similar erosion of our active user base or engagement level. A number of factors could potentially negatively affect user growth and engagement, including if:

- we are unable to retain existing users and attract new users to our platform, or achieve greater penetration into lower tier cities in China;
- there is a decrease in the perceived quality or reliability of the content generated by our users;
- a large number of influencers, such as celebrities, key opinion leaders, or KOLs and other public figures, and platform partners, such as media outlets and organizations with media rights, switch to alternative platforms or use other products and services more frequently;
- we are unable to manage and prioritize information to ensure users are presented with content that is appropriate, interesting, useful and relevant;
- we fail to introduce new and improved products or services or we introduce new or improved products or services that are not well received by users;
- technical or other problems prevent us from delivering our products or services in a rapid and reliable manner or otherwise adversely affect the user experience;
- users believe that their experience is diminished as a result of the decisions we make with respect to the frequency, relevance, prominence, format and quality of the advertisements displayed on our platform;
- we are unable to combat spam or other hostile or inappropriate usage on our platform;
- there are user concerns related to privacy and communication, safety, security or other factors;
- we fail to provide adequate customer service to our users;
- users engage with other platforms or activities instead of ours;
- there are adverse changes in our products or services that are mandated by, or that we elect to make to address, legislation, regulations or government policies; or
- we fail to maintain our brand image or our reputation is damaged.

We have undertaken various initiatives to stimulate the growth of our users and user engagement. For instance, in addition to the microblogging service with which Weibo originally started, we have added functionalities such as trends, topics, search, short videos, live streaming and interest-based information feeds over the years, which we believe have helped broaden our appeal and generate more user traffic and engagement. However, there can be no assurance that these and other strategies will continue to be effective. If we are unable to increase our user base and user engagement, our platform could be less attractive to potential new and existing users and customers, which would have a material and adverse impact on our business, financial condition and operating results.

If our users and platform partners do not continue to contribute content or their contributions are not valuable to other users, we may experience a decline in user traffic and user engagement.

Our success depends on our ability to provide users with interesting and useful content, which in turn depends on the content contributed by our users and platform partners. We believe that one of our competitive advantages is the quality, quantity and open nature of the content on Weibo, and that access to rich content is one of the main reasons users visit Weibo. We seek to foster a broader and more engaged user community, and we encourage influencers, such as celebrities, KOLs and other public figures, and platform partners, such as multi-channel networks, (the “MCNs”), media outlets and organizations with media rights, to use our platform to express their views and share interesting, and high quality content.

Among all our users, influencers have been contributing increasingly interesting and attractive contents on our platform. We provide these content creators with the opportunity to monetize their social assets on Weibo through advertising, e-commerce, paid-subscription, tipping and other means. If content creators do not see significant value from their social marketing activities on Weibo and find monetization on Weibo inadequate, we may have to subsidize them through direct content cost payout, which may have an adverse and material impact on our business and operating results. Alternatively, content creators may choose to switch to other platforms and contribute less or no content to Weibo, which may cause our user base and user engagement to decline and our customers view our products and services less attractive for advertising and marketing purposes and consequently reduce their advertising spending on our platform.

If users and platform partners do not continue to contribute content to Weibo due to policy changes, their use of alternative communication channels or any other reasons, and we are unable to provide users with interesting, useful and timely content, our user base and user engagement may decline. If we experience a decline in the number of users or the level of user engagement, customers may not view our products and services as attractive for their advertising and marketing expenditures and may reduce their spending with us, which would materially harm our business and operating results.

We rely on our partnership program with channel partners, which mainly include application pre-install partners, programmatic buying partners and application marketplaces, to drive traffic to our platform, and if our partnership program becomes less effective or if the smartphone market and shipment in China slow down compared to the prior years, traffic to our platform could decline and our business and operating results could be adversely affected.

We work with application (app) pre-install partners, such as key domestic handset manufacturers for user acquisition and activation. Due to intense competition in the marketplace, app pre-install partners may raise prices to a point where it becomes cost prohibitive for us to rely on them for Weibo user activation, or they may decide to discontinue their services to us altogether. The partnership also highly depends on the total amount of handset shipment and sales of our partners, which may fluctuate or slow down compared with prior years. The growth of Weibo’s user base is impacted by the growth of new users from Weibo app, and pre-installation of Weibo app on new smartphones is an important source of new Weibo users. A continuing slowdown of new smartphone shipment in China may adversely impact the growth rate of our new users. If this trend continues, our business and operating results may be materially and adversely affected.

We also work with programmatic buying partners, such as top applications for traffic direction and user activation. Due to the real time bidding nature of programmatic buying, the prices for inventories on top applications may fluctuate or surge to a point where it becomes less cost effective for us to invest in the channel. In addition, inaccurate user targeting and the possible high churn rate observed during the traffic direction step may also limit the overall effectiveness of the partnership.

In addition, we work with application marketplaces, including app stores of key domestic handset manufacturers as well as other major application marketplaces, to drive downloads of our mobile applications. In the future, Google (Android), Apple or other operators of application marketplaces may make changes to their marketplaces and make access to our products and services more difficult.

If we are unable to compete effectively for user traffic or user engagement, our business and operating results may be materially and adversely affected.

Competition for user traffic and user engagement is intense and we face strong competition in our business. Major Chinese internet companies, such as Tencent and Bytedance, compete directly with us for user traffic and user engagement, content, talent and marketing resources. As a social media featuring social networking services and messenger features, we are subject to intense competition from providers of similar services as well as potentially new types of online services. These services include (i) messengers and other social apps and sites, such as Weixin/WeChat and QQ Mobile; (ii) multimedia apps (photo, video and live streaming, etc.), such as Douyin/TikTok, Kuaishou, Bilibili, Little Red Book (Xiaohongshu), iQiyi, Tencent Video, Youku and Xigua Video; and (iii) news apps and sites operated by other major internet companies, such as Tencent, Bytedance and NetEase. In addition, as a media platform in nature, we also compete with traditional media companies for audiences and content.

We also compete with both offline and online games for the time and money of game players. We offer social commerce solutions to our customers that enable them to conduct e-commerce on our platform. Consequently, our offerings compete with e-commerce companies and online verticals that enable merchants to conduct e-commerce, including location-based services and online-to-offline services. In addition to direct competition, we face indirect competition from companies that sponsor or maintain high traffic volume websites or provide an initial point of entry for internet users, including but not limited to providers of search services, web browser and navigation pages. We may also face competition from global social media, social networking services and messengers, such as Facebook, Instagram, Twitter, Youtube, TikTok, WhatsApp, Facebook Messenger, Snapchat, Pinterest, Line and Kakao Talk. Some of our competitors may have substantially more cash, traffic, technical and other resources than we do. We may be unable to compete successfully against these competitors or new market entrants, which may adversely affect our business and financial performance.

We believe that our ability to compete effectively for user traffic and user engagement depends upon many factors both within and beyond our control, including:

- the popularity, usefulness, ease of use, performance and reliability of our products and services compared to those of our competitors;
- the amount, quality and timeliness of content aggregated on our platform;
- our ability to enable celebrities, KOLs, media outlets and other content creators to quickly and efficiently build a fan base and monetize from their social assets;
- our ability, and the ability of our competitors, to develop new products and services and enhancements to existing products and services to keep up with user preferences and demands;
- the frequency, relevance and relative prominence of the advertisements displayed by us or our competitors;
- our ability to establish and maintain relationships with platform partners;
- our ability to provide effective customer service and support;
- changes mandated by, or that we elect to make to address, legislation, regulations or government policies, some of which may have a disproportionate effect on us;
- acquisitions or consolidation within our industry, which may result in more formidable competitors; and
- our reputation and brand strength relative to our competitors.

We may not be able to maintain or grow our revenues or our business.

We have experienced solid and healthy growth of our revenues and business since our IPO, except that our revenues and business were adversely impacted by the outbreaks of COVID-19 in 2020 and subsequent surges driven by various variants of COVID-19 in 2022. See “Item 5. Operating and Financial Review and Prospects—A. Operating Results—Factors Affecting Our Results of Operations” for a detailed discussion.

Our revenue growth also depends on our ability to continue to grow our core businesses, newly developed businesses, as well as businesses we have acquired or which we consolidated. We are exploring and will continue to explore in the future new business initiatives, including in industries and markets in which we have limited or no experience, as well as new business models, that may be untested. Developing new businesses, initiatives and models requires significant investments of time and resources, and may present new and difficult technological, operational and compliance challenges. Many of these challenges may be specific to business areas with which we do not have sufficient experience. We may encounter difficulties or setbacks in the execution of various growth strategies and these growth strategies may not generate the returns we expect within the timeframe we anticipate, or at all.

In addition, our overall or segment revenue growth may slow or our revenues may decline for other reasons, including increasing competition and slowing growth of China's smartphone market, disruptions to China's economy or the global economy from pandemics, natural disasters or other events, as well as changes in the geopolitical landscape, government policies or general economic conditions. As our revenues grow to a higher base level, our revenue growth rate may slow in the future. Furthermore, due to the size and scale we have achieved, our user base may decrease, not continue to grow as quickly or at all.

We generate a substantial majority of our revenues from online advertising and marketing services. If we fail to generate sustainable revenue and profit through our advertising and marketing services, our result of operations could be materially and adversely affected.

We started to generate revenues in 2012 through advertising and marketing services, and to a less extent also through value-added services. Ever since then, advertising and marketing services have been contributing a substantial majority of our total revenues, accounting for 88% of our revenues in both 2020 and 2021, and 87% of our revenues in 2022. Therefore, any failure to continue generating sustainable revenue and profit through our advertising and marketing services could materially harm our business.

Compared with traditional advertising and marketing solutions, online advertising and marketing services are evolving rapidly and sometimes considered experimental. In addition, we, as well as the whole industry, are endeavoring to develop novel forms of advertising and marketing services. As a result, we cannot guarantee that the advertising and marketing strategies we have adopted can generate sustainable revenues and profit. Particularly, as is common in the industry, our advertising and marketing customers do not have long-term commitments with us. In addition, some potential new customers may view our advertising and marketing services as unproven, and we may need to devote additional time and resources to convince them. Customers will not continue to do business with us or may only be willing to advertise with us at reduced prices if we do not deliver advertising and marketing services in an effective manner, or if they do not believe that their investment in advertising and marketing with us will generate a competitive return relative to alternative advertising platforms.

Our ability to add new customers and increase spending of existing customers can be particularly affected by our ability to provide timely and reliable measurement analysis of customers' advertising campaigns on Weibo, as some customers rely on advertisement measurement to evaluate advertising effectiveness. We are working with third-party measurement firms to provide these data services to our customers but the online advertisement measurement market in China is nascent. We cannot assure you that our measurement partners will be able to provide measurement to the satisfaction of our customers. If our customers are unable to obtain measurement results on their marketing campaigns on Weibo to their satisfaction, our customers may be less willing to maintain or expand their advertising spending on our platform, and our financial conditions, results of operations and prospects may be materially and adversely affected.

We also need to adapt our advertising and marketing service offerings to the way users consume contents on our platforms. We introduced mobile-adapted promoted marketing solutions, such as promoted feeds, to our advertisers as our mobile products gain more user traffic. Users' preferences on content format are also evolving. Online content in video format has become increasingly prevalent in recent years. If we are unable to adapt our products and services for the video environment and develop products and services to generate video advertising revenues, especially for the mobile environment, our results of operations and prospects may be materially and adversely affected.

Advertisements shown on our platform may subject us to penalties and other administrative actions.

Under PRC advertising laws and regulations, we are obligated to monitor the advertising content shown on our platform to ensure that such content is true and accurate and in compliance with applicable PRC laws and regulations. PRC advertising laws and regulations impose prohibitions and restrictions on certain types of advertisements. For instance, advertisements for certain products, such as tobacco, are not allowed to be publicly posted, and advertisements for other products and services, such as alcohol, medical treatment, pharmaceuticals or medical devices, healthcare food, real estate and financial products, are subject to certain restrictions on content and other requirements. In addition, where a review by relevant governmental authorities is required before certain types of advertisements can be posted, such as advertisements for pharmaceuticals and medical devices, we are obligated to confirm that such review has been performed and approval has been obtained.

The Chinese government may from time to time promulgate new advertising laws and regulations, including possible additional restrictions on online advertising services and these restrictions may relate to, among other attributes, the content, placement and appearance of advertisements. Pursuant to the Measures for the Administration of Internet Advertising issued by the SAMR on February 25, 2023, which will become effective on May 1, 2023, internet platform operators are required to, among others, prevent and stop illegal advertisements, and establish compliant and reporting mechanisms. Those who violate these measures may face fines, confiscation of illegal profits, business operation suspension, and revocation of licenses. For details, see “Item 4. Information on the Company—B. Business Overview—Regulation—Regulations on Advertisements”

In addition, recent activities and technology trends in advertising, such as links in comments or posts, and the proliferation of short video and live streaming platforms, with paid promotions that are frequently not marked as advertising, have made advertising content monitoring more challenging. Moreover, technologies and tools attempting to circumvent, evade or deceive our advertisement content monitoring system are evolving, which makes it more complicated for us to monitor and review the advertisements on our platform. When we discover advertisements that violate laws and regulations, we will timely take corresponding measures. Although we have made significant efforts to ensure that the advertisements shown on our platform are in full compliance with currently effective and applicable PRC laws and regulations, we cannot ensure that we will be in compliance at all times with the requirements under any new laws and regulations such as the Measures for the Administration of Internet Advertising. Failure to comply with these obligations may subject us to fines and other administrative penalties.

If advertisements shown on our platform are in violation of relevant PRC advertising laws and regulations, we may be subject to penalties, including fines, confiscation of advertising income, orders to cease dissemination of the advertisements and orders to publish corrective information. In case of serious violation, the PRC governmental authorities may revoke our business licenses. Our PRC consolidated entities in aggregate have received two penalties for advertisements shown on our platform in 2020, one with a fine of RMB1,000 and confiscation of advertising income, and the other with a fine of RMB30,000. We paid the fines and cooperated with the relevant government authorities to take corrective measures as required. We believe these penalties, individually or in the aggregate, did not have a material adverse effect on our business, financial condition or results of operations for the year ended December 31, 2020. Our PRC consolidated entities have not received penalty in 2021 and 2022 for advertisements shown on our platform. However, there can be no assurance that there will not be any penalties in the future, which may have a material and adverse effect on our business, financial condition, results of operations and prospects, brand and reputation.

If we are unable to compete effectively for advertising and marketing spending, our business and operating results may be materially and adversely affected.

In addition to intense competition for users and user engagement, we also face significant competition for advertising and marketing spending. A substantial majority of our revenues are currently generated through advertising and marketing services. We compete against online and mobile businesses that offer such services, mainly including Tencent, ByteDance, Baidu, Kuaishou, Little Red Book (Xiaohongshu), Bilibili and iQiyi. We also compete with internet companies that offer online-to-offline (O2O) service, purchase solutions and other performance-based advertising and marketing services, and digital media tailored to specific vertical, such as Meituan and Autohome. We also compete against traditional media outlets, such as television, radio, print and other offline advertising network, for advertising and marketing budgets.

In order to grow our revenues and improve our operating results, we must increase our market share of advertising and marketing spending relative to our competitors, many of which are larger companies that offer more traditional and widely accepted advertising products. In addition, some of our larger competitors have substantially broader product or service offerings and leverage their relationships based on other products or services to gain additional share of advertising and marketing budgets.

We believe that our ability to compete effectively for advertising and marketing spending depends upon many factors both within and beyond our control, including:

- the size, composition and activeness of our user base relative to those of our competitors;
- the breadth, innovation and effectiveness of our product and service offerings;
- the timing and market acceptance of our advertising and marketing products and services, including breadth, quality and variety of our advertisement formats and features and those of our competitors;
- the effectiveness of our advertisement targeting capabilities, and those of our competitors;
- the volume, pricing and return on investment of our products and services relative to those of our competitors;
- the reach, engagement and effectiveness of our advertising and marketing products and services relative to those of our competitors;
- the availability, accuracy and utility of analytics and measurement solutions offered by us or our partners relative to those of our competitors;
- our ability to attract, retain and motivate talented employees;
- the effectiveness of our performance-based advertisements and real-time bidding system relative to those of our competitors;
- our sales and marketing efforts, and those of our competitors; and
- our reputation and the strength of our brand relative to our competitors.

Significant acquisitions and consolidation by and among our actual and potential competitors may present heightened competitive challenges for our business. Acquisitions of our platform partners by our competitors could result in reduced content and functionality of our products and services. Consolidation may also enable our larger competitors to offer bundled or integrated products that feature alternatives to our platform. Reduced content and functionality of our products and services, or our competitors' ability to offer bundled or integrated products that compete directly with us, may cause our user base and user engagement to decline and customers to reduce their spending with us. If we are not able to compete effectively for advertising and marketing spending, our business and operating results may be materially and adversely affected.

Our operating history may not be the indicator of our future prospects.

The market for social media is still evolving and may not develop as expected. People who are not our users, customers or platform partners may not understand the value of our products and services and new users, customers or platform partners may initially find our products and services confusing. There may be a perception that our products and services are only useful to users who post, or to influential users with large audiences. Convincing potential new users, customers and platform partners of the value of our products and services is critical to increasing the number of our users, customers and platform partners and to the success of our business. Although we have experienced continued user growth as shown by the increase of our MAUs and DAUs for the past few years, some of our peers may have experienced a decline in user base. If microblogging, social media, online media or social product, in general, declines in popularity among Chinese internet users, we may be unable to grow our user base or maintain or increase user engagement.

We launched Weibo in August 2009 and began to generate revenues in 2012. Given the rapidly evolving markets in which we compete, our historical operating results may not be useful to you in predicting our future operating results. You should consider our business and prospects in light of the risks and challenges we encounter or may encounter in this developing and rapidly evolving market. These risks and challenges include our ability to, among other things:

- increase the number of our users and the level of user engagement;
- develop a reliable, scalable, secure, high-performance technology infrastructure that can efficiently handle increased usage;

- convince customers of the benefits and effectiveness of our advertising and marketing services;
- refine our interest-based recommendation engine to enable more relevant content recommendation and effective audience targeting;
- increase demand for value-added services, such as membership, live streaming, and game-related services;
- develop and deploy new features, products and services for our users, customers and platform partners, including video functionalities and interest-based information feeds;
- successfully compete with other companies, some of which have substantially greater resources and market power than us, that are currently in, or may in the future enter, our industry, or duplicate the features of our products and services;
- attract, retain and motivate talented employees;
- process, store, protect and use personal data in compliance with governmental regulations, contractual obligations and other obligations related to privacy and security; and
- defend ourselves against litigation, regulatory, intellectual property, privacy or other claims.

If we fail to educate potential users, customers and platform partners about the value of our products and services, if the market for our platform does not develop as we expect or if we fail to address the needs of this market, our business will be harmed. Failure to adequately address these or other risks and challenges could harm our business and cause our operating results to suffer.

Alibaba is our significant customer and an important strategic partner. If we fail to maintain our collaboration with Alibaba, our results of operations and growth prospect may be adversely and materially affected.

Alibaba is our important strategic partner and a significant customer since our IPO in 2014. Although revenue contribution by Alibaba as an advertiser has declined as a percentage to our total revenues in recent years, as a result of the rapid growth of our business scale as well as our strategy to diversify revenue sources, Alibaba remains our significant customer, as we continue to serve as an important marketing partner for Alibaba and we continue to jointly develop innovative marketing solutions for both of our customers and explore social e-commerce opportunities for their merchants. If we are unable to either maintain strong cooperation with Alibaba or find other customers that can bring in similar amount of revenues to offset the possible decline of revenue from Alibaba or the revenue associated with Alibaba's ecosystem, our results of operations and growth prospects may be adversely and materially affected.

Our future performance depends in part on support from our platform partners, particularly copyright content providers and MCNs.

Although most of the content on our platform come from individual users, platform partners have become an increasingly important source of high-quality content. We believe user engagement with our products and services depends in part on the quality of applications and content generated by our platform partners, particularly copyright content providers and the MCNs. Copyright content providers have traditionally been an important source of premium content on our platform. Meanwhile, as content on our platform expands into various new formats, such as videos, the role of MCNs as talent agencies for professional content creators is becoming increasingly important. We have built a large network of MCNs in different domains, such as video and e-commerce, and we rely on these platform partners to incubate and grow content creators so that they share more quality content on Weibo. If we are unable to enjoy continued collaboration with copyright content providers and expand our network of MCNs and incentivize them to share more content, our content offerings may not be as robust and competitive and our user base and user engagement may be adversely and materially affected.

We also work closely with third-party developers to build Weibo-integrated applications to enhance Weibo's functionalities. Such existing and prospective developers may not be successful in building, growing, or monetizing mobile and/or web applications that create, maintain and enhance user engagement. Additionally, developers may choose to build on other platforms rather than integrate with Weibo. We are continuously seeking to balance the distribution objectives of our developers with our desire to provide an optimal user experience, and we may not be successful in achieving a balance that continues to attract and retain such developers. If we are not successful in our efforts to continue to grow the number of developers that choose to build products that integrate with Weibo or if we are unable to continue to build and maintain good relationships with such developers, our user growth and user engagement and our financial results may be adversely and materially affected.

Our new products, services and initiatives and changes to existing products, services and initiatives could fail to attract users and customers or generate revenues.

Our ability to increase the size and engagement of our user base, attract customers and generate revenues will depend in part on our ability to successfully launch new products and services. We may introduce significant changes to our existing products and services or develop and introduce new products and services, including technologies with which we have little or no prior development or operating experience. If new or enhanced products or services fail to engage users, customers and platform partners, we may fail to attract or retain users or to generate sufficient revenues to justify our investments, and our business and operating results could be adversely affected. In addition, we may launch strategic initiatives that do not directly generate revenues but which we believe will enhance our attractiveness to users, customers and platform partners. We may not be successful in future efforts to generate revenues from our new products or services. If our strategic initiatives do not enhance our ability to monetize our existing products and services or enable us to develop new approaches to monetization, we may not be able to maintain or grow our revenues or recover any associated development costs and our operating results may be adversely affected.

If we fail to effectively manage our growth, our business and operating results could be harmed.

We operate our business in a rapidly evolving industry and highly competitive market, which will continue to place significant demands on our management, operational and financial resources to sustainably grow our business. We may encounter difficulties as we establish and expand our operations, product development, sales and marketing, and general and administrative capabilities. We face significant competition for talented employees from other high-growth companies, which include both publicly traded and privately held companies, and we may not be able to hire new employees quickly enough to meet our needs. To attract highly skilled personnel, we have had to offer, and believe we will need to continue to offer, competitive compensation packages. As we continue to grow, we are subject to the risks of over-hiring, over-compensating our employees and over-expanding our operating infrastructure, and to the challenges of integrating, developing and motivating a growing employee base. In addition, we may not be able to innovate or execute as quickly as a smaller and more efficient organization. If we fail to effectively manage our hiring needs and successfully integrate our new hires, our efficiency and ability to meet our forecasts and our employee morale, productivity and retention could suffer, and our business and operating results could be adversely affected.

As we strive to broaden our user base, increase user engagement, and develop new features and products, we often have to proactively devote significant resources to accommodate future growth and to meet market demand. If market condition changes or we misjudged future demand, however, we may incur high costs and expenses relative to our return, which could negatively affect our operating results. In addition, copyright content is costly and the competition for it is fierce. Mismanagement of copyright content purchase and usage, such as focus on content that turn out to be less popular or loss of valuable copyright content to competitors, may lead to a disproportional increase in expenses and adversely affect our business.

Continued growth could also strain our ability to maintain reliable service levels for our users and customers, develop and improve our operational, financial, legal and management controls, and enhance our reporting systems and procedures. Our expenses may grow faster than our revenues, and our expenses may be greater than what we anticipate. Managing our growth will require significant expenditures and allocation of valuable management resources. If we fail to achieve the necessary level of efficiency in our organization as it grows, our business, operating results and financial condition could be harmed.

Our operating results may fluctuate from quarter to quarter, which makes it difficult to predict.

Our quarterly operating results have fluctuated in the past and will fluctuate in the future. As a result, our past quarterly operating results are not necessarily indicators of future performance. Our operating results in any given quarter can be influenced by numerous factors, many of which we are unable to predict or are outside of our control, including:

- our ability to grow our user base and user engagement;

- fluctuations in spending by our advertising and marketing customers, including as a result of seasonality, major events and extraordinary news events, pandemics or other factors;
- our ability to attract and retain advertising and marketing customers;
- the occurrence of planned or unplanned significant events, including events that may cause substantial stock-based compensation or other charges;
- the development and introduction of new products or services or changes in features of existing products or services;
- the impact of competitors or competitive products and services;
- the pricing of our products and services;
- our ability to maintain or increase revenues;
- our ability to maintain or improve gross margins, operating margins and net margins;
- increases in our costs and expenses that we may incur to grow and expand our operations and to remain competitive;
- system failure or outages, which could prevent us from displaying advertisements for any period of time;
- changes in U.S. GAAP and the related policies, guidance or interpretations;
- changes in the legal or regulatory environment or proceedings, including with respect to security, privacy or enforcement by government regulators, including fines, orders or consent decrees; and
- changes in Chinese or global business or macroeconomic conditions.

Given the rapidly evolving market in which we compete, our historical operating results may not be useful to you in predicting our future operating results. Our rapid growth make it difficult for us to identify recurring seasonal trends in our business. The advertising industry in China experiences seasonality. Historically, advertising spending tends to be the lowest in the first quarter of each calendar year due to long holidays around the Lunar New Year, and we believe that this seasonality affects our quarterly results. In addition, economic concerns continue to create uncertainty and unpredictability and add risk to our future outlook. An economic downturn in China or globally could cause our advertising and marketing customers to reduce their advertising budgets, and result in other adverse effects that could harm our operating results. Other factors that may cause our operating results to fluctuate include popular sports events, such as the FIFA World Cup and the Olympic Games. Due to our rapid growth, the seasonal trends that we have experienced in the past may not apply to, or be indicative of, our future operating results.

Spam could diminish the user experience on our platform, which could damage our reputation and deter our current and potential users from using our products and services.

“Spam” on Weibo refers to a range of abusive activities that are prohibited by our terms of service and is generally defined as unsolicited actions that negatively impact other users with the general goal of drawing user attention to a given account, site, product or idea. This includes posting large numbers of unsolicited mentions of a user, duplicate feeds, misleading links (e.g., to malware or click-jacking pages) or other false or misleading content, and aggressively following and un-following accounts, sending unsolicited invitations, reposting feeds and favoring feeds to inappropriately attract attention. Our terms of service also prohibit the creation of serial or bulk accounts, both manually or using automation, for disruptive or abusive purposes, such as to post spam or to artificially inflate the popularity of users seeking to promote themselves on Weibo. Although we continue to invest resources in reducing spam on Weibo, we expect spammers will continue to seek ways to act inappropriately on our platform. In addition, we expect that increases in the number of users on our platform will result in increased efforts by spammers to misuse our platform. We continuously combat spam, including by suspending or terminating accounts we believe to be spammers and launching algorithmic changes focused on curbing abusive activities. Our actions to combat spam require the diversion of significant time and focus of our engineering team from improving our products and services. If we are unable to effectively manage and reduce spam on Weibo, our reputation for delivering relevant content could be damaged, user engagement could decline and our operational costs could increase.

We are subject to changing laws and regulations regarding regulatory matters, corporate governance and public disclosure that have increased both our costs and the risk of non-compliance.

We are subject to rules and regulations by various governing bodies, including, for example, the Securities and Exchange Commission, which is charged with the protection of investors and the oversight of companies whose securities are publicly traded, and the various regulatory authorities in China and the Cayman Islands, and to new and evolving regulatory measures under applicable law. Our efforts to comply with new and changing laws and regulations have resulted in and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Moreover, because these laws, regulations and standards are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available. This evolution may result in continuing uncertainty regarding compliance matters and additional costs necessitated by ongoing revisions to our disclosure and governance practices. If we fail to address and comply with these regulations and any subsequent changes, we may be subject to penalty and our business may be harmed.

Privacy concerns relating to our products and services and the use of user information could damage our reputation, deter current and potential users and customers from using Weibo and negatively impact our business.

We collect personal data from our users in order to better understand our users and their needs and to help our customers target specific demographic groups. Concerns about the collection, use, disclosure or security of personal information or other privacy-related matters, even if unfounded, could damage our reputation, cause us to lose users and customers and adversely affect our operating results. While we strive to comply with applicable data protection laws and regulations, as well as our own posted privacy policies and other obligations we may have with respect to privacy and data protection, the failure or perceived failure to comply may result, and in some cases has resulted, in inquiries and other proceedings or actions against us by government agencies or others, as well as negative publicity and damage to our reputation and brand, each of which could cause us to lose users and customers, which could have an adverse effect on our business.

Any systems failure or compromise of our security that results in the unauthorized access to or release of our users' or customers' data could significantly limit the adoption of our products and services, as well as harm our reputation and brand and, therefore, our business. We strictly limit third-party developers' access to user privacy and user data, and we expend significant resources on technology and product development to protect against leakage of user information and other security breaches. Nonetheless, given its great commercial value, our user data may still be misused by third parties, which could expose us to legal and regulatory risks and seriously harm our business.

The PRC regulatory and enforcement regime with regard to data security and data protection is evolving. The PRC Civil Code, the PRC Cyber Security Law, the Personal Information Protection Law, and the PRC Data Security Law protect individual privacy and personal data security in general by requiring internet service providers to collect data in accordance with the laws and in proper manner, and obtain consents from internet users prior to the collection, use or disclosure of internet users' personal data. In addition, the Outbound Data Transfer Security Assessment Measures requires a data processor to apply for security assessment with the CAC before providing important data or personal information to overseas recipients under certain circumstances. The Personal Information Outbound Transfer Standard Contract Measures provide that the personal information processor who provides personal information to overseas recipients through execution of standard contract with such overseas recipient shall meet certain criteria, conduct a personal information protection impact assessment before providing any personal information to an overseas recipient, and complete the filing with local cybersecurity authority within ten working days from the effective date of the standard contract. See "Item 4. Information on the Company—B. Business Overview—Regulation—Regulations on Internet Security." In addition, the PRC Cyber Security Law sets high requirements for the operational security of facilities deemed to be part of China's "critical information infrastructure." See "—Risks Relating to Doing Business in China—Substantial uncertainties exist with respect to the interpretation and implementation of cybersecurity related regulations and cybersecurity review as well as any impact these may have on our business operations." In addition, the CAC issued the Administrative Provisions on Algorithm Recommendation of Internet Information Services on December 31, 2021 with effect from March 1, 2022, which required algorithm recommendation service providers to establish and improve management system and technical measures for, among others, data security and personal information protection. These laws and regulations are relatively new, and therefore there are substantial uncertainties with respect to the interpretation and implementation of these data security laws and regulations. Weibo may need to take measures to comply with data security requirements from time to time, or apply for security assessment. Weibo has taken measures to comply with existing laws and regulations.

Furthermore, if privacy concerns or regulatory restrictions prevent us from selling demographically targeted advertising, we may become less attractive to our customers. In Hong Kong, however, the Personal Data (Privacy) Ordinance provides that an internet company may not collect information about its users, analyze the information for a profile of the user's interests and sell or transmit the profiles to third parties for direct marketing purposes without the user's consent. In the European Union, or EU, the General Data Protection Regulation, or GDPR, which came into effect on May 25, 2018, present increased challenges and risks in relation to policies and procedures relating to data collection, storage, transfer, disclosure, protection and privacy, and will impose significant penalties for non-compliance, including for example, penalties calculated as a percentage of global revenue under the GDPR. The potential risks associated with non-compliance therewith are difficult to predict. Other jurisdictions may have similar prohibitions. Although less than 1% of our revenues in 2022 are generated in Hong Kong, EU and other jurisdictions with similar prohibitions, we hope to attract more users in these jurisdictions and if we are unable to construct demographic profiles of internet users because they refuse to give consent, we will be less attractive to customers and our business could suffer.

In addition to the possibility of fines, enforcement actions can result in orders requiring us to change our practices, which could have an adverse effect on our business and operating results. In March 2020, we experienced a data leakage caused by malicious queries by users through our application programming interface, for which the Ministry of Industry and Information Technology, or the MIIT, summoned our representatives to a meeting on March 21, 2020 and instructed us to take steps to improve data security in accordance with the applicable regulations, including improving our privacy policy, strengthening user information protection and internal data security management, and other measures. We immediately took measures in response to this incident, including upgrading our security interface.

Since January 2019, in order to better implement the PRC Cyber Security Law and the PRC Law for the Protection of Consumer Rights and Interests, relevant PRC government departments jointly launched nationwide special rectification programs on the illegal collection and use of personal information by mobile apps each year. In the 2020 Special Rectification Program, launched on July 22, 2020 by the CAC, the MIIT, the Ministry of Public Security, and the State Administration for Market Regulation, or the SAMR, which focused on identifying and rectifying conducts of various apps in illegal collection of personal facial features and other biometric information, unauthorized recording of users' voice or access of users' photos, and unauthorized uploading of personal information, Weibo was identified by the authorities as having misled users to agree to the collection of personal information and failed to list out the purpose and type of personal information collected by certain software development kits on its platforms in November 2020. We took actions in response to the identified issues and completed the rectification as required. On July 23, 2021, MIIT launched the 2021 Special Rectification Program aiming at rectifying disruption of market order, infringement on users' rights and interests, threats on data security, and violation of relevant regulations on qualifications and resources management by the internet companies. Weibo, together with 24 other major internet companies, attended a meeting about the 2021 Special Rectification Program on Internet Industry held by the MIIT on July 30, 2021, to discuss and receive instructions regarding self-examination and self-rectification under this Special Rectification Program. The rectification procedures generally include three steps: first, we are required to conduct a self-examination and self-rectification and deliver a report to the relevant government authority for review; second, the government authority to provide comments on the report and guidance for us to achieve compliance with the relevant PRC laws and regulations; and third, the government will make an inspection and confirm the rectification results. As of the date of this annual report, we have completed the self-examination and self-rectification and submitted the report as required under the 2021 Special Rectification Program. In May 2022, Beijing Communications Administration launched the cyber and data security inspection in telecom and internet industry, and we have completed the self-examination to comply with the relevant requirements.

New laws or regulations concerning data protection, or the interpretation and application of existing consumer and data protection laws or regulations, which is often uncertain and in flux, may be inconsistent with our practices. Complying with new laws, regulations and orders from competent governmental authorities could cause us to incur substantial costs or require us to change our business practices in a manner materially adverse to our business.

If our security measures are breached, or if our products and services are subject to attacks that degrade or deny the ability of users to access our products and services, our products and services may be perceived as not being secure, users and customers may curtail or stop using our products and services and our business and operating results may be harmed.

Our products and services involve the storage and transmission of users' and customers' information, and security breaches expose us to a risk of loss of this information, litigation and potential liability. We experience cyber-attacks of varying degrees on a regular basis, including hacking into our user accounts and redirecting our user traffic to other websites, and we have been able to rectify attacks without significant impact to our operations in the past. Functions that facilitate interactivity with other websites, such as Weibo Connect, which among other things allows users to log in to partner websites using their Weibo identities, could increase the scope of access of hackers to user accounts.

Our security measures may also be breached due to employee error, malfeasance or otherwise. Additionally, outside parties may attempt to fraudulently induce employees, users or customers to disclose sensitive information in order to gain access to our data or our users' or customers' data or accounts, or may otherwise obtain access to such data or accounts.

Since our users and customers may use their Weibo accounts to establish and maintain online identities, unauthorized communications from Weibo accounts that have been compromised may damage their reputations and brands as well as ours. Any such breach or unauthorized access could result in significant legal and financial exposure, damage to our reputation and a loss of confidence in the security of our products and services that could have an adverse effect on our business and operating results. Because the techniques used to obtain unauthorized access, disable or degrade service or sabotage systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. If an actual or perceived breach of our security occurs, the market perception of the effectiveness of our security measures could be harmed, we could lose users and customers and we may be exposed to significant legal and financial risks, including legal claims and regulatory fines and penalties. Any of these actions could have a material and adverse effect on our business, reputation and operating results.

We rely on assumptions and estimates to calculate certain key operating metrics, and real or perceived inaccuracies in such metrics may harm our reputation and negatively affect our business.

Our key operating metrics, including, but not limited to, the numbers of daily and monthly active users of Weibo, average spending per advertiser and number of advertisement customers, are calculated using internal company data that has not been independently verified. While these numbers are based on what we believe to be reasonable calculations for the applicable periods of measurement, there are inherent challenges in measuring usage and user engagement across our large user base. For example, there are a number of false or spam accounts in existence on Weibo. Although we continuously combat spam by suspending or terminating these accounts, our active user number may include a number of false or spam accounts and therefore may not accurately represent the actual number of active accounts. We are also unable to estimate the number or percentage of spam accounts included in the numbers of daily and monthly active users of Weibo. We treat each account as a separate user for purposes of calculating our active users, because it may not always be possible to identify people and organizations that have set up more than one account. Additionally, some accounts used by organizations are used by many people within the organization. Accordingly, the calculations of our active users may not accurately reflect the actual number of people or organizations using Weibo. From time to time, we disable certain user accounts, make product changes, or take other actions to reduce the number of duplicate or false accounts among our users, which may also reduce the numbers of daily and monthly active users of Weibo in a particular period.

We regularly review and may adjust our processes for calculating our internal metrics to improve their accuracy. Our measures of user growth and user engagement may differ from estimates published by third parties or from similarly titled metrics used by our competitors due to differences in methodology. If customers, platform partners or investors do not perceive our user metrics to be accurate representations of our user base or user engagement, or if we discover material inaccuracies in our user metrics, our reputation may be harmed and customers and platform partners may be less willing to allocate their spending or resources to Weibo, which could negatively affect our business and operating results.

Our business is highly sensitive to the strength of our brand and market influence, and we may not be able to maintain current or attract new users, customers and platform partners for our products and services if we do not continue to increase the strength of our brand and develop new brands successfully in the marketplace.

Our operational and financial performance is highly dependent on the strength of our brand and market influence. Such dependency will increase further as the number of internet and mobile users as well as the number of market entrants in China grows. In order to retain existing and attract new internet users, customers and platform partners, we may need to substantially increase our expenditures to create and maintain brand awareness and brand loyalty.

In addition, we receive a high degree of media coverage in Chinese communities around the world. Negative coverage in the media of our company, including about our product quality and reliability, changes to our products and services, privacy and security practices, litigation, regulatory activity, the actions of our users, the experience of our users, platform partners and advertisers with our products and services, alleged misconduct by our employees or business partners, unethical business practices, or rumors relating to our business, management and employees, our shareholders and affiliates, our competitors and peers, even if inaccurate, could threaten our reputation and the perception of our brands. We cannot assure you that we will be able to defuse negative press coverage about our company to the satisfaction of our investors, users, customers and platform partners. If we are unable to defuse negative press coverage about our company, our brand may suffer in the marketplace, our operational and financial performance may be negatively impacted and the price of our Class A ordinary shares and/or ADSs may decline.

User misconduct and inappropriate content may adversely impact our brand image, business and results of operations, and we may be held liable for information or content displayed on, retrieved from or linked to our app or website or distributed to our users.

Our platform enables users to discover, create, and distribute content and interact with others on our platform in real time. As it is difficult to control user behavior in real time, our platform may be misused by individuals or groups of individuals who engage in, among other things, immoral, inappropriate, disrespectful, fraudulent or illegal activities. While we have developed technologies and a series of measures to detect inappropriate content and activities, we cannot guarantee that we will be able to fully prevent inappropriate content from being posted on our platform or inappropriate activities from being carried out on our platform. Moreover, as we have limited control over the offline behavior of our users, to the extent that such behavior is associated with our platform, our ability to protect our brand image and reputation may be limited. Our business and the public perception of our brand may be materially and adversely affected by misconduct conducted on or linked to our platform. It is possible that our users may engage in conversations or activities on our platform that may be deemed illegal under applicable laws and regulations. We may be subject to fines or other disciplinary actions, including suspension of certain services, if we are deemed to not have taken actions to stop user misconduct or the display of inappropriate or illegal content posted by third parties on our platform or distributed to our users. If any of our users suffers or alleges to have suffered physical, financial or emotional harm arising from any contact initiated on our platform, we may face civil lawsuits or other proceedings initiated by the affected user, or governmental or regulatory actions. Defending such actions could be costly and involve significant time and attention of our management and other resources, which could materially and adversely affect our business, financial condition, results of operations and prospects. There can be no assurance that we can detect all illegal or inappropriate content displayed on, retrieved from or linked to our platform. If we are held liable for any of the aforementioned incidents in the future, our business, financial condition and results of operations may be materially and adversely affected.

Misconduct, error and failure to follow laws, regulations and our corporate governance policies by our employees may adversely impact our brand image, reputation, business and results of operations, and we may be held liable for these inappropriate activities.

Misconduct, including illegal, fraudulent or collusive activities, unauthorized business conducts and behavior, misuse of corporate authorization, or errors by our employees or their failure to perform their duties could subject us to legal liability and negative publicity. Our employees may conduct fraudulent activities to bypass our internal systems and to complete shadow transactions and/or transactions outside our official or authorized procedures. They may conduct activities in violation of law against unfair competition, which may expose us to unfair competition allegations and risks or conduct activities that may damage our reputation, corporate culture or internal working environment. We have experienced such incidents in the past and may continue to experience or be subject to incidents of similar nature in the future. We terminated employment with the involved employees for serious misconducts and recovered our losses from those employees in certain cases. While we have been strengthening our code of conduct and related internal policies, including updating our employees' code of conduct and anti-bribery policy, we cannot assure you that such incidents will not occur in the future. It is not always possible to identify and deter such misconduct, and the precautions we take to detect and prevent these activities may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to prevent such misconduct. Such misconduct could damage our brand and reputation, which could adversely affect our business and results of operations.

If our goodwill or intangible assets become impaired, we may be required to record a significant charge to earnings.

We review our intangible assets for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable, such as a decline in stock price and market capitalization. We test goodwill for impairment at least once a year. If such goodwill or intangible assets are deemed to be impaired, an impairment loss equal to the amount by which the carrying amount exceeds the fair value of the assets would be recognized. We may be required to record a significant charge in our financial statements during the period in which any impairment of goodwill or intangible assets is determined, which would negatively affect our results of operations. Impairment provision for goodwill and intangible assets recorded in 2020, 2021 and 2022 was nil, nil and US\$10.2 million, respectively.

As of December 31, 2022, the total amount of our goodwill and intangible assets was US\$245.2 million. A substantial portion of the goodwill and intangible assets arose from the acquisitions of the live streaming business of www.yizhibo.com, or Yizhibo, a live streaming platform in China, in 2018 from Yixia Tech Co., Ltd., or Yixia Tech, and Shanghai Jiamian Information Technology Co., Ltd., or JM Tech, in 2020, as well as the indirect acquisition of Shanghai Benqu Network Technology Co., Ltd., the developer of Wuta beauty camera app, in 2021. Therefore, we may have to reassess and even record impairment loss if the respective industry prospects deteriorate. In June 2022, we adjusted our strategy for live streaming business and decided to transfer the operation of Yizhibo business to a related party with the ownership of all the intellectual properties unchanged. We recognized immaterial revenues from live streaming since the second quarter of 2022.

The monetization of our services may require users to accept promoted marketing in their feeds or private messages, which may affect user experience and cause a decline in user traffic and a delay in our monetization.

Weibo users typically can log in to their personal accounts to view feeds and private messages from accounts that they have selected to follow. Social platform has been subject to negative comments, and even lawsuits, for introducing promoted advertising into their users' information feeds. We started to test promoted products on Weibo at the end of 2012 and have also received user complaints. If we are unable to address user complaints adequately, user experience may be negatively affected, the monetization of our products and services may be delayed and our user base or user engagement may decline, which may adversely impact our operations.

New technologies could block our advertisements. Users of PC and mobile devices may enable technical measures that could hinder our traffic growth and limit our monetization opportunities.

Technologies have been developed that can disable the display of our advertisements and that provide tools to users to opt out of our advertising products. Most of our revenues are derived from fees paid to us by customers in connection with the display of advertisements to our users. In addition, our traffic growth is significantly dependent on content viewed via mobile devices, such as smartphones and tablets. Technologies and tools for personal computers and mobile devices, such as operating systems, internet browsers, anti-virus software and other applications, as well as mobile application stores could set up technical measures to divert user traffic, require a fee for the download of our products or block our products and services altogether, which could adversely affect our overall traffic and ability to monetize our products and services.

Our business and growth could suffer if we are unable to hire and retain key personnel.

We depend on the continued contributions of our senior management and other key employees, many of whom are difficult to replace. The loss of the services of any of our executive officers or other key employees could harm our business. Competition for qualified talent in China is intense. Our future success is dependent on our ability to attract a significant number of qualified employees and retain existing key employees. If we are unable to do so, our business and growth may be materially and adversely affected and the trading price of our Class A ordinary shares and/or ADSs could suffer. Our need to significantly increase the number of our qualified employees and retain key employees may cause us to materially increase compensation-related costs, including stock-based compensation.

We have incurred and expect to continue to incur substantial stock-based compensation expenses.

We have adopted share incentive plans in August 2010, March 2014 and March 2023. See "Item 6. Directors, Senior Management and Employees—B. Compensation—Share Incentive Plans" for a detailed discussion. For the years ended December 31, 2020, 2021 and, 2022, we recorded US\$67.1 million, US\$88.0 million and US\$111.7 million, respectively, in stock-based compensation expenses. We will continue to grant stock-based compensation in the future in order to attract and retain key personnel and employees. Consequently, our stock-based compensation expenses may be recurring and even significantly increase in absolute amount, which may have a material adverse effect on our results of operations.

Future investments in and acquisitions of complementary assets, technologies and businesses may fail and may result in equity or earnings dilution.

We have in the past and may continue to invest in or acquire assets, technologies and businesses that are complementary to our existing business. For example, On March 1, 2023, Weibo Holding (Singapore) Pte. Ltd., our wholly owned subsidiary, entered into certain share purchase agreement with ShowWorld Holding Limited, an indirect subsidiary of SINA, pursuant to which Weibo Holding (Singapore) Pte. Ltd. agreed to purchase all equity interests in ShowWorld HongKong Limited, a wholly-owned subsidiary of ShowWorld Holding Limited and an entity holding 332,615,750 shares of INMYSHOW Digital Technology (Group) Co., Ltd. (“INMYSHOW”) for an aggregate consideration of approximately RMB2.16 billion in cash, payable in U.S. dollar. INMYSHOW is a Shanghai Stock Exchange-listed company (SSE: 600556). Immediately following the consummation of this transaction and together with our existing shareholding in INMYSHOW, we in the aggregate beneficially owned 480,342,364 shares of INMYSHOW, representing approximately 26.57% of its total issued shares.

Our investments or acquisitions may not yield the results we expect. In addition, investments and acquisitions could result in the use of substantial amounts of cash, potentially dilutive issuances of equity securities, significant amortization expenses related to intangible assets and exposure to potential unknown liabilities of the acquired business. Moreover, the cost of identifying and consummating investments and acquisitions, and integrating the acquired businesses into ours, may be significant, and the integration of acquired businesses may be disruptive to our existing business operations. In addition, we may have to obtain approval from the relevant PRC governmental authorities for the investments and acquisitions and comply with any applicable PRC rules and regulations, which may be costly. Our investments and acquisitions may also be subject to merger control review and antitrust investigations under the PRC Anti-Monopoly Law, the Provisions on the Review of Concentrations of Undertakings and other PRC anti-monopoly laws, regulations and guidance. In the event that our investments and acquisitions are not successful, our financial condition and results of operations may be materially and adversely affected.

Our financial results could be adversely affected by our long-term investments.

We periodically review our investments in publicly traded companies, privately held companies, and limited partnerships for impairment. If we conclude that any of these investments is impaired, we will write down the asset to its fair value and take a corresponding charge to our consolidated statements of comprehensive income. For the fiscal years ended December 31, 2020, 2021 and 2022, we recognized impairment charges of US\$126.8 million, US\$106.8 million and US\$63.5 million, respectively, on the carrying value of our investments. We may continue to incur impairment charges in the future, which could depress our profitability or subject us to incur a net loss.

As of December 31, 2022, our investments included US\$754.1 million in private companies, which may not have the resources nor level of controls in place like public companies to timely and accurately provide updates about their company to us. Furthermore, many of our investments are at an early, pre-revenue stage of development, and their impairment may be difficult to assess as market information on internet-related startups is not readily available. After our adoption of ASU 2016-01 “Classification and Measurement of Financial Instruments” starting January 1, 2018, we measure long-term investments other than equity method investments at fair value through earnings. Our investments other than equity method are subject to a wide variety of market related risks that could substantially reduce or increase the fair value of our holdings. For example, identification of observable price change in orderly transaction for those investments without readily determinable fair value may result in our recognition of gain or loss on such investments.

Determination of estimated fair value of these investments require complex and subjective judgments due to their limited financial and operating history, unique business risks and limited public information. Consequently, we may not receive information about our investments on a timely basis to properly account for them. We recognized a net loss of US\$196.6 million for the long-term investments in 2022 as a result of fair value changes. We are unable to control these factors and an impairment charge recognized by us, especially untimely recorded, may adversely impact our financial results and share price.

If we were deemed an investment company under the Investment Company Act of 1940, applicable restrictions could have a material adverse effect on our business and the price of our ADSs and Class A ordinary shares.

We are not an “investment company” and do not intend to become registered as an “investment company” under the Investment Company Act of 1940, or the Investment Company Act. Generally, a company is an “investment company” if it is or holds itself out as being engaged primarily in the business of investing, reinvesting or trading in securities or owns or proposes to own investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis, unless an exception, exemption or safe harbor applies. We do not hold ourselves out as being primarily engaged, or proposing to engage primarily, in the business of investing, reinvesting or trading in securities. Rather, we are primarily engaged in the business of operating a social media platform in China for people to create, discover and distribute content. As of December 31, 2022, our investment securities represented less than 40% of the value of our total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis calculated in accordance with Section 3(a)(1)(C) of the Investment Company Act. We intend to continue to conduct our operations so that we will not be deemed an investment company.

If, at any time, we become or are determined to be primarily engaged in the business of investing, reinvesting or trading in securities, we could become subject to regulation under the Investment Company Act. If we were to become subject to the Investment Company Act, any violation of the Investment Company Act could subject us to material adverse consequences, including potentially significant regulatory penalties and the possibility that certain of our contracts would be deemed unenforceable. Additionally, as a foreign private issuer, we would not be eligible to register under the Investment Company Act. Accordingly, we would either have to obtain exemptive relief from the SEC, modify our contractual rights or dispose of investments in order to fall outside the definition of an investment company, each of which may have a material adverse effect on the Company. Additionally, we may have to forego potential future acquisitions of interests in companies that may be deemed to be investment securities within the meaning of the Investment Company Act. Finally, failure to avoid being deemed an investment company under the Investment Company Act could also make us unable to comply with our reporting obligations as a public company in the United States and lead to our being delisted from Nasdaq Stock Market LLC, which would have a material adverse effect on the liquidity and value of our ADSs and ordinary shares.

If we cannot obtain sufficient cash when we need it, we may not be able to meet our payment obligations under our outstanding and future debt obligations.

In October 2017, we issued US\$900 million principal amount of convertible senior notes due 2022 (the “2022 Notes”). The 2022 Notes bear an annual interest rate of 1.25%, payable semiannually in arrears on May 15 and November 15 of each year, beginning on May 15, 2018, and matured on November 15, 2022. Before the maturity of the 2022 Notes, a holder converted the 2022 Notes in principal amount of US\$8,000. Upon the maturity of the 2022 Notes, we repaid US\$899,992,000 aggregate principal amount of the 2022 Notes using our available cash.

In July 2019, we issued US\$800 million in aggregate principal amount of senior notes due 2024 (the “2024 Notes”). The 2024 Notes were issued at par value and bear an annual interest rate of 3.50%, payable semiannually in arrears on January 5 and July 5 of each year, beginning on January 5, 2020. The 2024 Notes will mature on July 5, 2024, unless previously repurchased or redeemed in accordance with their terms prior to maturity.

In July 2020, we issued US\$750 million in aggregate principal amount of senior notes due 2030 (the “2030 Notes”). The 2030 Notes bear an annual interest rate of 3.375%, payable semiannually in arrears on January 8 and July 8 of each year, beginning on January 8, 2021. The 2030 Notes will mature on July 8, 2030, unless previously repurchased or redeemed in accordance with their terms prior to maturity.

In August 2022, we signed a five-year US\$1.2 billion term and revolving facilities agreement with a group of 23 arrangers (the “Facilities Agreement”). The facilities consist of a US\$900 million five-year bullet maturity term loan and a US\$300 million five-year revolving facility. In the fourth quarter of 2022, we have fully withdrawn the US\$900 million five-year bullet maturity term loan (“2027 Loans”). The proceeds from the facilities were expected to be used for refinancing of existing indebtedness, general corporate purposes and payment of transaction related fees and expenses.

Our ability to pay interest and repay the principal for our indebtedness is dependent upon our ability to manage our business operations, generate sufficient cash flows, raise additional capital and the other factors discussed in this section. There can be no assurance that we will be able to manage any of these risks successfully. If we are unable to obtain funding in a timely manner or on commercially acceptable terms, we may not be able to meet our payment obligations under our debt obligations. If we fail to pay interest on the notes, we will be in default under the indenture governing the notes, which in turn may constitute a default under existing and future agreements governing our indebtedness.

We may incur additional indebtedness in the future. Our current and future debt obligations require us to dedicate a portion of our cash flow to principal and interest payments and may limit our ability to engage in other transactions. We may require additional capital to support our business growth or to respond to business opportunities, challenges or unforeseen circumstances. Our ability to obtain additional capital, if and when required, will depend on our business plans, investor demand, our operating performance, the condition of the capital markets, and other factors beyond our control, such as economic, political and other conditions in the PRC and elsewhere, and our indebtedness may limit our ability to borrow additional funds. We may have difficulty incurring new debt on terms that we would consider to be commercially reasonable. In addition, we may also need to refinance a portion or all of our outstanding debt as it matures. There is a risk that we may not be able to refinance existing debt or that the terms of any refinancing may not be as favorable as the terms of our existing debt.

We are a holding company, and we rely principally on dividends and other distributions from our PRC subsidiaries for our cash needs, including the funds necessary to help us meet our payment obligations under the notes and our other obligations. Our subsidiaries are distinct legal entities and do not have any obligation, legal or otherwise, to provide us with distributions or advances. Furthermore, under PRC laws and regulations, our PRC subsidiaries and VIEs are subject to certain restrictions with respect to paying dividends or otherwise transferring any of their net assets to us. Remittance of dividends by a wholly foreign-owned enterprise out of China is also subject to examination by the banks designated by SAFE. For risks relating to the fund flows of our operations in China, see “Item 3. Key Information—Risk Factors—Risks Relating to Doing Business in China—Any limitation on the ability of our PRC subsidiaries to make payments to us, or the tax implications of making payments to us, could have a material adverse effect on our ability to conduct our business or our financial condition.”

We may be out of compliance with certain covenants in our term and revolving facilities agreement before maturity, which could cause certain financial restrictions to be imposed on us.

The Facilities Agreement contains certain financial covenants over the ratio of our consolidated net debt to consolidated EBITDA and the ratio of our consolidated EBITDA to consolidated interest expenses. As of December 31, 2022, we were in compliance of such covenants. Our ability to comply with financial or other restrictive covenants under the Facilities Agreement may be affected by factors beyond our control, including prevailing economic, financial and industry conditions. In the event that we fail to comply with any of these covenants, we may be required to negotiate a waiver if we want to avoid technical default. We cannot assure you that we would be able to obtain such waiver in a timely manner, on acceptable terms or at all. If we were not able to obtain the waiver, we would be in default of the Facilities Agreement, and the relevant counterparties could elect to declare the loan, together with accrued and unpaid interest and other fees, if any, immediately due and payable. If the loan under the Facilities Agreement that we entered into was to be accelerated, even though we believe that our assets would be sufficient to repay our loans in full, our business and liquidity could be materially and adversely impacted. In addition, such waiver, even if granted, may lead to increased costs, increased interest rates, additional restrictive covenants and other available counterparty protections that would be applicable to us under the relevant credit facilities, which could adversely affect our business, financial condition, results of operations and our ability to obtain additional capital resources.

We may need additional capital, and financing may not be available on terms acceptable to us, or at all.

We may require additional cash resources if we experience changes in business conditions or other developments. In addition to the 2024 Notes, 2030 Notes and 2027 Loans, we may seek to issue equity or equity linked securities or obtain debt financing. The issuance and sale of additional equity would result in further dilution to our shareholders. The incurrence of indebtedness would result in increased fixed obligations and could result in operating covenants that would restrict our operations. However, we cannot assure you that any additional financing will be available in amounts or on terms acceptable to us, if at all.

Many of our products and services contain open source software, and we license some of our software through open source projects, which may pose particular risks to our proprietary software, products, and services in a manner that could have a negative effect on our business.

We use open source software in our products and services and will use open source software in the future. In addition, from time to time, we contribute software source code to open source projects under open source licenses or release internal software projects under open source licenses, and anticipate doing so in the future. The terms of many open source licenses to which we are subject have not been interpreted by domestic or foreign courts, and there is a risk that open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to provide or distribute our products or services. Additionally, we may from time to time face claims from third parties claiming ownership of, or demanding release of, the open source software or derivative works that we developed using such software, which could include our proprietary source code, or otherwise seeking to enforce the terms of the applicable open source license. These claims could result in litigation and could require us to make our software source code freely available, purchase a costly license or cease offering the implicated products or services unless and until we can re-engineer them to avoid infringement. This re-engineering process could require significant additional research and development resources, and we may not be able to complete it successfully. In addition to risks related to license requirements, use of certain open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software. Additionally, because any software source code we contribute to open source projects is publicly available, our ability to protect our intellectual property rights with respect to such software source code may be limited or lost entirely, and we are unable to prevent our competitors or others from using such contributed software source code. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could have a negative effect on our business, financial condition and operating results.

We may not be able to adequately protect our intellectual property, which could cause us to be less competitive.

We rely on a combination of patent, copyright, trademark and trade secret laws and restrictions on disclosure to protect our intellectual property rights. Despite our efforts to protect our proprietary rights, third parties may attempt to copy or otherwise obtain and use our intellectual property, seek court declarations that they do not infringe upon our intellectual property rights, or allege that certain of our products and services, or user content, infringe their intellectual property rights. Monitoring unauthorized use of our intellectual property is difficult and costly, and we cannot be certain that the steps we have taken will prevent misappropriation of our intellectual property. From time to time, we may have to resort to litigation to enforce or defend our intellectual property rights, which could result in substantial costs and diversion of our resources.

We may be subject to intellectual property infringement claims or other allegations by third parties, which may materially and adversely affect our business, financial condition and prospects.

Companies in the internet, technology and media industries are frequently involved in litigation based on allegations of infringement of intellectual property rights, unfair competition, invasion of privacy, infringement of trade secrets, defamation, and other violations of other parties' rights. In addition, various "non-practicing entities" that own patents and other intellectual property rights often attempt to aggressively assert their rights in order to extract value from technology companies. The validity, enforceability and scope of protection of intellectual property rights in internet-related industries, particularly in China, are uncertain and still evolving. As we face increasing competition and as litigation becomes more common in resolving commercial disputes, we, including but not limited to our PRC subsidiaries, VIEs, directors and officers, face a higher risk of being the subject of intellectual property infringement claims in and outside of China. Furthermore, from time to time we may introduce or acquire new products or services, including in areas where we historically have not competed, which could increase our exposure to patent and other intellectual property claims from competitors and non-practicing entities.

We allow users to upload written materials, images, pictures and other content on our platform and download, share, link to and otherwise access games and applications (some of which are developed by third parties) as well as audio, video and other content either on our platform or from other websites through our platform. We have procedures designed to reduce the likelihood that content might be used without proper licenses or third-party consents. However, these procedures may not be effective in preventing the unauthorized posting of copyrighted content. We have been and we may continue to receive notice from copyright holders and other parties alleging that user content, or certain of our products and services, infringe their intellectual property rights, and may be involved in legal actions arising from these allegations. Any such legal proceedings, whether or not successful, could harm our reputation. If a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations. As a public company listed in the U.S., we and our directors and officers have also been, and may continue to be, involved in claims or lawsuits in the U.S. or other jurisdictions relating to alleged IP infringement or misappropriation. If any of these claims is successfully made against us, we may be required to (i) pay substantial statutory or other damages and fines, (ii) remove relevant content from our platform, or (iii) enter into royalty or license agreements which may not be available on commercially reasonable terms or at all.

We anticipate that we will continue to be subject to legal, regulatory and/or administrative proceedings in the future incidental to our ordinary course of business. There can be no assurance that we will be able to prevail in our defense or reverse any unfavorable judgment, ruling or decision against us. In addition, we may decide to enter into settlements that may adversely affect our results of operations and financial condition.

With respect to games and applications available on our platform, we have procedures designed to reduce the likelihood of infringement. However, such procedures might not be effective in preventing games and applications, particularly those developed by third parties, from infringing upon other parties' rights. We may face liability for copyright or trademark infringement, defamation, unfair competition, libel, negligence, and other claims based on the nature and content of the materials that are delivered, shared or otherwise accessed through our platform.

Defending intellectual property litigation is costly and can impose a significant burden on our management and employees, and there can be no assurances that favorable final outcomes will be obtained in all cases. Such claims, even if they do not result in liability, may harm our reputation. Any resulting liability or expenses, or changes required to our platform to reduce the risk of future liability, may have a material adverse effect on our business, financial condition and prospects.

User growth and engagement depend upon effective interoperation with operating systems, networks, devices, web browsers and standards that we do not control.

We make our products and services available across a variety of operating systems and through websites. We are dependent on the interoperability of our products and services with popular devices, desktop and mobile operating systems and web browsers that we do not control, such as Windows, Mac OS, Android, iOS, and others. Any changes in such systems, devices or web browsers that degrade the functionality of our products and services or give preferential treatment to competitive products or services could adversely affect usage of our products and services. Further, if the number of platforms for which we develop our products increases, it will result in an increase in our costs and expenses. In order to deliver high quality products and services, it is important that our products and services work well with a range of operating systems, networks, devices, web browsers and standards that we do not control. In addition, because a majority of our users access our products and services through mobile devices, we are particularly dependent on the interoperability of our products and services with mobile devices and operating systems. We may not be successful in developing relationships with key participants in the mobile industry or in developing products or services that operate effectively with these operating systems, networks, devices, web browsers and standards. In the event that it is difficult for our users to access and use our products and services, particularly on their mobile devices, our user growth and user engagement could be harmed, and our business and operating results could be adversely affected.

Our operations depend on the performance of the internet infrastructure and fixed telecommunications networks in China.

Almost all access to the internet in China is maintained through state-owned telecommunication operators under the administrative control and regulatory supervision of the MIIT. Moreover, we primarily rely on a limited number of telecommunication service providers to provide us with data communications capacity through local telecommunications lines and internet data centers to host our servers. We have limited access to alternative networks or services in the event of disruptions, failures or other problems with China's internet infrastructure or the fixed telecommunications networks provided by telecommunication service providers. Web traffic in China has experienced significant growth during the past few years. Effective bandwidth and server storage at internet data centers in large cities such as Beijing are scarce. With the expansion of our business, we may be required to upgrade our technology and infrastructure to keep up with the increasing traffic on our platform. We had not experienced material disruptions to our business operations as a result of service capacity constraints for the years ended December 31, 2020, 2021 and 2022. However, we cannot assure you that the internet infrastructure and the fixed telecommunications networks in China will be able to support the demands associated with the continued growth in internet usage. If we are unable to increase our online content and service delivering capacity accordingly, we may not be able to continuously grow our traffic, and the adoption of our products and services may be hindered, which could adversely impact our business and our share price.

In addition, we have no control over the costs of the services provided by telecommunication service providers. If the prices we pay for telecommunications and internet services rise significantly, our results of operations may be materially and adversely affected. Furthermore, if internet access fees or other charges to internet users increase, particularly as content shifts toward video, some users may be prevented from accessing the internet and thus cause the growth of internet users to decelerate. Such deceleration may adversely affect our ability to continue to expand our user base and increase our attractiveness to online customers.

Our business and operating results may be harmed by service disruptions, or by our failure to timely and effectively scale and adapt our existing technology and infrastructure.

One of the reasons people come to Weibo is for real-time information. We have experienced, and may in the future experience, service disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, human or software errors, hardware failure, capacity constraints due to an overwhelming number of people accessing our products and services simultaneously, computer viruses and denial of service, fraud and security attacks. Any disruption or failure in our infrastructure could hinder our ability to handle existing or increased traffic on our platform or cause us to lose content stored on our platform, which could significantly harm our business and our ability to retain existing users and attract new users.

As the number of our users increases and our users generate more content, including photos and videos on our platform, we may be required to expand and adapt our technology and infrastructure to continue to reliably store and analyze this content. It may become increasingly difficult to maintain and improve the performance of our products and services, especially during peak usage times, as our products and services become more complex and our user traffic increases. In addition, because we lease our data center facilities, we cannot be assured that we will be able to expand our data center infrastructure to meet user demand in a timely manner, or on favorable economic terms, or at all. We rely on SINA, our controlling shareholder, and third-party vendors to provide infrastructure services. We cannot assure you that their infrastructure will operate without interruptions and that we can maintain a relationship with these parties on favorable economic terms. If our users are unable to access Weibo or we are not able to make information available rapidly on Weibo, or at all, users may become frustrated and seek other channels to obtain the information, and may not return to Weibo or use Weibo as often in the future, or at all. This would negatively impact our ability to attract users and customers and maintain the level of engagement of our users.

We prioritize product innovation and user experience over short-term operating results, which may harm our revenues and operating results.

We encourage employees to quickly develop and help us launch new and innovative features. We focus on improving the user experience for our products and services and on developing new and improved products and services for the customers on our platform. We prioritize innovation and the experience for users and customers on Weibo over short-term operating results. We frequently make product and service decisions that may reduce our short-term operating results if we believe that the decisions are consistent with our goals to improve the user experience and performance for customers, which we believe will improve our operating results over the long term. These decisions may not be consistent with the short-term expectations of investors and may not produce the long-term benefits that we expect, in which case our user growth and user engagement, our relationships with customers and our business and operating results could be adversely and materially harmed. In addition, our focus on the user experience may negatively impact our relationships with our existing or prospective customers. This could result in a loss of customers and platform partners, which could adversely and materially harm our revenues and operating results.

We may face lawsuits or incur liability as a result of content published, made available through, or linked to our social media platform.

As a social media platform, we have faced and will continue to face liability relating to content that is published, made available through, or linked to our platform. In particular, the nature of our business exposes us to claims related to defamation, intellectual property rights, rights of publicity and privacy, illegal content, content regulation and personal injury torts. The law relating to the liability of providers of online products or services for activities of their users remains somewhat unsettled in China. In addition, the public nature of communications on our platform exposes us to risks arising from the creation of impersonation accounts intended to be attributed to our users or customers. We could incur significant costs investigating and defending these claims. If we incur costs or liability as a result of these events, our business, financial condition and operating results could be adversely affected.

We may be subject to litigation for user-generated content provided on our platform, which may be time-consuming and costly to defend.

Our platform is open to the public for posting user-generated content. Although we have required our users to post only legally compliant and inoffensive materials and have set up screening procedures, our screening procedures may fail to screen out all potentially offensive or non-compliant user-generated content. Even if properly screened, a third party may still find user-generated content postings on our platform offensive and take actions against us in connection with the posting of such information. As with other companies who provide user-generated content on their websites, we have had to deal with such claims in the past and anticipate that such claims will increase as user-generated content becomes more popular in China. Any such claim, with or without merit, could be time-consuming and costly to defend, and may result in litigation and divert management's attention and resources.

We may face certain risks related to financial products available on our Weibo wallet.

Weibo wallet enables users to purchase different types of financial products and services, including micro-loan facilitation offered by our related party, insurance, funds and other financial services offered by Weibo's business partners who are third-parties with relevant licenses. The Chinese laws and regulations on internet finance have been developing rapidly in recent years. To ensure the services provided on Weibo wallet remain in compliance with PRC laws and regulations on internet finance services, we have made relevant adjustments to the services available through Weibo wallet from time to time over the past several years.

For example, on March 28, 2018, the Internet Financing Risks Special Rectification Work Leading Group under the State Council issued a Notice on Strengthening the Rectification and Inspection of Asset Management Operations via Internet, which requires any entity that issues or sells fund and asset management products via the internet to obtain an asset management business license or asset management product sales license issued by the central financial management department. We have engaged third parties with relevant operating licenses to provide the services and products legally. After our adjustments, Weibo wallet now acts as a platform for, instead of an operator of, the financial products, including micro-loan facilitation offered by our related party, insurance, funds and other financial services offered by Weibo's business partners who are third parties with relevant licenses. As advised by our PRC counsel, TransAsia Lawyers, such practice is in compliance with the current PRC laws and regulations.

On January 13, 2021, the General Office of the China Banking and Insurance Regulatory Commission and the General Office of the People's Bank of China jointly issued a Circular on Regulating the Personal Deposit Business Conducted by Commercial Banks through the Internet, pursuant to which, commercial banks are not allowed to engage in the business of providing fixed deposits or time-demand optional deposits through non-self-operated online platforms. On February 19, 2021, the General Office of the China Banking and Insurance Regulatory Commission issued a Circular on Further Regulating the Internet Loan Business of Commercial Banks, pursuant to which local banks engaged in online loan business shall serve local customers and are not allowed to operate online loan business outside of their registered local administrative areas, subject to certain exemptions. As such, we ceased our internet deposit cooperation with commercial banks and delisted all internet deposit services.

On March 12, 2021, the People's Bank of China issued the Announcement of the People's Bank of China [2021] No.3, pursuant to which all loan products shall explicitly indicate their annualized loan interest rate, and we have included the requested information timely after the issuance of this announcement.

If any of the financial products or services available on Weibo wallet are found to be in violation of relevant regulations, Weibo may face warnings, fines, confiscation of illegal gains, license revocations or the discontinuation of the relevant business, and our business, financial condition and operating results could be adversely affected.

We have limited business insurance coverage.

The insurance industry in China is still young and the business insurance products offered in China are limited. We have limited business liability or disruption insurance coverage for our operations. Any business disruption, litigation or natural disaster may cause us to incur substantial costs and divert our resources.

We face risks related to health epidemics and other outbreaks, such as the outbreak of COVID-19, as well as natural disasters, which could significantly disrupt our operations and adversely affect our business, financial condition or results of operation.

In addition to the impact of COVID-19, our business could be adversely affected by the effects of Ebola virus disease, H1N1 flu, H7N9 flu, avian flu, Severe Acute Respiratory Syndrome, or SARS, or other epidemics. Our business operations could be disrupted if any of our employees is suspected of having Ebola virus disease, H1N1 flu, H7N9 flu, avian flu, SARS, COVID-19 or other epidemics, since it could require our employees to be quarantined and/or our offices to be disinfected. In addition, our results of operations and financial performance could be adversely affected to the extent that any of these epidemics harms the Chinese economy in general.

Beginning in 2020, outbreaks of COVID-19 resulted in the temporary closure of many corporate offices, retail stores, and manufacturing facilities across China. Normal economic life throughout China was sharply curtailed. We have taken measures to reduce the impact of this epidemic outbreak, including upgrading our telecommuting system, monitoring our employees' health on a daily basis, arranging shifts of our employees working onsite and from home to avoid infection transmission and optimizing our technology system to support potential growth in user traffic. The population in most of the major cities was locked down to a greater or lesser extent at various times and opportunities for discretionary consumption were extremely limited. In particular, the COVID-19 pandemic has caused reduced or curtailed advertising expenditures from our customers and their overall demand for our advertising services, as well as increased volatility of their advertising expenditure patterns from period-to-period. These events have materially and adversely affected our business since 2020 and contributed to slower growth in our revenues, slower collection of accounts receivables and additional allowance for credit losses.

China began to modify its COVID control policy at the end of 2022, and most of the travel restrictions and quarantine requirements were lifted in December. There were surges of cases in many cities during this time which caused disruption to our and our customers' operations, and there remains uncertainty as to the future impact of the virus, especially in light of this change in policy. The extent to which the pandemic impacts our results of operations going forward will depend on future developments which are highly uncertain and unpredictable, including the frequency, duration and extent of outbreaks of COVID-19, the appearance of new variants with different characteristics, the effectiveness of efforts to contain or treat cases, and future actions that may be taken in response to these developments. China may experience lower domestic consumption, higher unemployment, severe disruptions to exporting of goods to other countries and greater economic uncertainty, which may impact our business in a materially negative way as our advertising customers may reduce or curtail their advertising budget and spending more broadly. Our advertising customers will need time to recover from the economic effects of the pandemic even after business conditions begin to return to normal. Consequently, the COVID-19 pandemic may continue to materially and adversely affect our business, financial condition and results of operations in the current and future years.

We are also vulnerable to natural disasters and other calamities. Fire, floods, typhoons, earthquakes, power loss, telecommunications failures, break-ins, war, riots, terrorist attacks or similar events may give rise to server interruptions, breakdowns, system failures, technology platform failures or internet failures, which could cause the loss or corruption of data or malfunctions of software or hardware as well as adversely affect our ability to provide products and services on our platform.

Divestitures of businesses and assets may have a material and adverse effect on our business and financial condition.

We may undertake in the future, partial or complete divestitures or other disposal transactions in connection with certain of our businesses and assets, particularly ones that are not closely related to our core focus areas or might require excessive resources or financial capital, to help our company meet its objectives. These decisions are largely based on our management's assessment of the business models and likelihood of success of these businesses. However, our judgment could be inaccurate, and we may not achieve the desired strategic and financial benefits from these transactions. Our financial results could be adversely affected by the impact from the loss of earnings and corporate overhead contribution/allocation associated with divested businesses.

Dispositions may also involve continued financial involvement in the divested business, such as through guarantees, indemnities or other financial obligations. Under these arrangements, performance by the divested businesses or other conditions outside of our control could affect our future financial results. We may also be exposed to negative publicity as a result of the potential misconception that the divested business is still part of our consolidated group. On the other hand, we cannot assure you that the divesting business would not pursue opportunities to provide services to our competitors or other opportunities that would conflict with our interests. If any conflicts of interest that may arise between the divesting business and us cannot be resolved in our favor, our business, financial condition, results of operations could be materially and adversely affected.

Furthermore, reducing or eliminating our ownership interests in these businesses might negatively affect our operations, prospects, or long-term value. We may lose access to resources or know-how that would have been useful in the development of our own business. Our ability to diversify or expand our existing businesses or to move into new areas of business may be reduced, and we may have to modify our business strategy to focus more exclusively on areas of business where we already possess the necessary expertise. We may sell our interests too early, and thus forego gains that we otherwise would have received had we not sold. Selecting businesses to dispose of or spin off, finding buyers for them (or the equity interests in them to be sold) and negotiating prices for what may be relatively illiquid ownership interests with no easily ascertainable fair market value will also require significant attention from our management and may divert resources from our existing business, which in turn could have an adverse effect on our business operations.

The Hong Kong Stock Exchange has granted us a waiver from strict compliance with the requirements in Paragraph 3(b) of Practice Note 15 to the Hong Kong Listing Rules such that we are able to list a subsidiary entity on the Hong Kong Stock Exchange within three years of the Listing. While we currently do not have any plan with respect to any spin-off listing on the Hong Kong Stock Exchange, we may consider a spin-off listing on the Hong Kong Stock Exchange for one or more of our businesses within the three year period subsequent to the Listing. The waiver granted by the Hong Kong Stock Exchange is conditional upon us confirming to the Hong Kong Stock Exchange in advance of any spin-off that it would not render our company incapable of fulfilling the eligibility requirements under Rule 19C.05 of the Hong Kong Listing Rules based on the financial information of the entity or entities to be spun-off at the time of the Company's Listing (calculated cumulatively if more than one entity is spun-off).

Risks Relating to Our Carve-out from SINA and Our Relationship with SINA

We rely on SINA for a broad range of support and there can be no assurance that SINA will continue to provide the same level of support.

SINA is a leading internet media company in China, and our social media business has benefited significantly from SINA's strong market position in China and its expertise in both internet and media-related businesses. For example, our advertising and marketing revenues have benefited from SINA's ability to attract large brand advertisers that are interested in advertising on the internet. Prior to our initial public offering in April 2014, SINA provided us with financial, administrative, sales and marketing, human resources and legal services and the services of a number of its executives and employees. After we became a stand-alone public company, SINA has continued to provide us with certain support services.

Although we have entered into a series of agreements with SINA relating to our ongoing business partnership and service arrangements with SINA, we cannot assure you we will continue to receive the same level of support from SINA going forward. To the extent that SINA does not continue to provide us with such support, we will need to create our own support systems. We may encounter operational, administrative and strategic difficulties if we are to adjust to providing these support services on our own, which may cause us to react slower than our competitors to industry changes, may divert our management's attention from running our business or may otherwise harm our operations.

On March 22, 2021, New Wave Mergersub Limited (a wholly owned subsidiary of Sina Group Holding Company Limited, formerly known as New Wave Holdings Limited) merged with and into SINA, with SINA continuing as the surviving company. As a result of this merger, SINA became a wholly owned subsidiary of Sina Group Holding Company Limited, which is a wholly owned subsidiary of New Wave MMXV Limited, a business company incorporated in the British Virgin Islands and controlled by Mr. Charles Chao. Following the completion of the merger, SINA has ceased to be a reporting company under the Exchange Act and its shares have ceased trading on NASDAQ.

Our agreements with SINA may be less favorable to us than similar agreements negotiated between unaffiliated parties. In particular, our non-competition agreement with SINA limits the scope of business that we are allowed to conduct.

We have entered into a series of agreements with SINA and the terms of such agreements may be less favorable to us than would be the case if they were negotiated with unaffiliated third parties. In particular, under the non-competition agreement we have entered into with SINA, we agreed not to, during the non-competition period (which will end on the later of (1) five years after the first date when SINA ceases to own in aggregate at least 20% of the voting power of our then outstanding securities and (2) the fifteenth anniversary of the completion of our initial public offering in 2014), compete with SINA in the business currently conducted by SINA, as described in its periodic filings with the SEC, other than the microblogging and social networking business currently operated by us and any business developed by us operating under either the domain names or the brands owned by us as of the date of the agreement. Such contractual limitations significantly affect our ability to diversify our revenue sources and may materially and adversely impact our business and prospects should the growth of social media in China slow down. In addition, pursuant to our master transaction agreement with SINA, we have agreed to indemnify SINA for liabilities arising from litigation and other contingencies related to our business and assumed these liabilities as part of our carve-out from SINA. The allocation of assets and liabilities between SINA and our company may not reflect the allocation that would have been reached by two unaffiliated parties. Moreover, so long as SINA continues to control us, we may not be able to bring a legal claim against SINA in the event of contractual breach, notwithstanding our contractual rights under the agreements described above and other inter-company agreements entered into from time to time.

Our sales, marketing and brand promotion have benefited significantly from our association with SINA. Any negative development in SINA's market position or brand recognition may materially and adversely affect our marketing efforts and the strength of our brand.

As a controlled subsidiary of SINA, we have benefited significantly from our association with SINA in marketing our brand and our platform. For example, we have benefited by providing services to SINA's clients. We also benefit from SINA's strong brand recognition in China, which has provided us credibility and a broad marketing reach. If SINA loses its market position, the effectiveness of our marketing efforts through our association with SINA may be materially and adversely affected. In addition, any negative publicity associated with SINA will likely have an adverse impact on the effectiveness of our marketing as well as our reputation and our brand.

SINA has pledged all of its shares in our company to secure a syndicate loan arranged by, among others, Goldman Sachs, and if SINA defaults on the underlying loan, we could experience a change in control.

In March 2023, SINA entered into a facility agreement (the "SINA Facility Agreement") with, among others, Goldman Sachs Bank USA ("Goldman Sachs") as mandated lead arranger and bookrunner, and Citicorp International Limited as facility agent and as security agent (the "Security Agent"), under which SINA is entitled to borrow up to US\$300 million. The term for the SINA Facility Agreement is one year, extendable for another one-year period. Shortly thereafter, SINA pledged all shares held by it in our company in favor of the Security Agent.

In the event SINA defaults under the SINA Facility Agreement, the Security Agent may exercise its rights and remedies in respect of the pledge, including the right to sell and/or foreclose on the shares subject to the pledge, which potentially could cause a change in control in our company. For a detailed discussion of the impact of the disposal of Class B ordinary shares in our company to any person or entity which is not the Founder or a Founder's Affiliate (each as defined under our memorandum and articles of association) on our corporate matters, see "Item 3. Key Information—D. Risk Factors—Risks Relating to Our ADSs and Class A Ordinary Shares—Our dual-class voting structure will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares and ADSs may view as beneficial."

We are not required to offer to repurchase all outstanding 2024 Notes or 2030 Notes upon the occurrence of a change in control event under the indentures governing our 2024 Notes and 2030 Notes or immediately repay outstanding amount under our 2027 Loans upon the occurrence of a change in control event. However, certain other contracts we are party to from time to time or future loans that we undertake may contain change of control provisions which, if triggered, could cause our contracts to be terminated or give rise to other obligations, such as accelerated payment requirements, each of which could have a material adverse effect on our business, results of operations and financial condition. If upon a change of control, we do not have sufficient funds available to make such payments if needed out of our available cash, third party financing would be needed, yet may be impermissible under our other debt agreements.

SINA will control the outcome of shareholder actions in our company.

SINA held 37.3% of our total issued and outstanding ordinary shares, representing 64.1% of our total voting power as of March 31, 2023. SINA's voting power gives it the power to control actions that require shareholder approval under Cayman Islands law, our memorandum and articles of association and Nasdaq requirements, including the election and removal of a majority of our board of directors, approval of significant mergers and acquisitions and other business combinations, changes to our memorandum and articles of association, the number of shares available for issuance under share incentive plans, and the issuance of significant amounts of our ordinary shares in private placements.

SINA's voting control may cause transactions to occur that might not be beneficial to holders of Class A ordinary shares and/or ADSs and may prevent transactions that would be beneficial to you. For example, SINA's voting control may prevent a transaction involving a change of control of us, including transactions in which you as a holder of our Class A ordinary shares and/or ADSs might otherwise receive a premium for your securities over the then current trading price.

In addition, SINA is not prohibited from selling a controlling interest in us to a third party and may do so without the approval of the Class A ordinary shares and/or ADS holders and without providing for a purchase of the Class A ordinary shares held by investors and/or ADSs held by the ADS holders. SINA has pledged all of its shares in our company to secure its obligation under the SINA Facility Agreement, for detailed risks underlying this arrangement, please see "Risk Factors—Risks Relating to Our Carve-out from SINA and Our Relationship with SINA—SINA has pledged all of its shares in our company to secure a syndicate loan arranged by, among others, Goldman Sachs, and if SINA defaults on the underlying loan, we could experience a change in control." If SINA defaults on its obligation under the SINA Facility Agreement, the Security Agent may dispose of or cause SINA to dispose of the pledged shares.

If SINA is acquired or otherwise undergoes a change of control, any acquirer or successor will be entitled to exercise the voting control and contractual rights of SINA, and may do so in a manner that could vary significantly from that of SINA.

We are a "controlled company" within the meaning of the Nasdaq Stock Market Rules and, as a result, may rely on exemptions from certain corporate governance requirements that provide protection to shareholders of other companies.

We are a "controlled company" as defined under the Nasdaq Stock Market Rules because SINA holds more than 50% of our voting power. For so long as we remain a controlled company under that definition, we are permitted to elect to rely, and will rely, on certain exemptions from corporate governance rules, including:

- an exemption from the rule that our director nominees must be selected or recommended solely by independent directors; and
- an exemption from having a corporate governance and nominating committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities.

As a result, the ADS holders do not have the same protection afforded to shareholders of companies that are subject to these corporate governance requirements.

We may have conflicts of interest with SINA and, because of SINA's controlling ownership interest in our company, we may not be able to resolve such conflicts on favorable terms for us.

Conflicts of interest may arise between SINA and us in a number of areas relating to our past and ongoing relationships. Potential conflicts of interest that we have identified include the following:

- *Indemnification arrangements with SINA.* We have agreed to indemnify SINA with respect to lawsuits and other matters relating to our social media business, including operations of that business when it was a private company and a subsidiary of SINA. These indemnification arrangements could result in our having interests that are adverse to those of SINA, for example, with respect to settlement arrangements in litigation. In addition, under these arrangements, we have agreed to reimburse SINA for liabilities incurred (including legal defense costs) in connection with any litigation, while SINA will be the party prosecuting or defending the litigation.
- *Non-competition arrangements with SINA.* We and SINA have entered into a non-competition agreement under which we agree not to compete with each other's core business. SINA agrees not to compete with us in a business that is of the same nature as the microblogging and social networking business operated by us as of the date of the agreement. We agree not to compete with SINA in the business currently conducted by SINA, as described in its periodic filings with the SEC, other than the microblogging and social networking business operated by us as of the date of the agreement.
- *Employee recruiting and retention.* Because both SINA and we are engaged internet-related businesses in China, we may compete with SINA in the hiring of new employees, in particular with respect to media and advertising-related matters. We have a non-solicitation arrangement with SINA that restricts us and SINA from hiring any of each other's employees.
- *Our board members or executive officers may have conflicts of interest.* Two directors of our company are also executive officers of SINA. In addition, we may continue to grant incentive share compensation to SINA's employees and consultants from time to time. These relationships could create, or appear to create, conflicts of interest when these persons are faced with decisions with potentially different implications for SINA and us.
- *Sale of shares in our company.* SINA may decide to sell all or a portion of our shares that it holds to a third party, including to one of our competitors, thereby giving that third party substantial influence over our business and our affairs. Such a sale could be contrary to the interests of our employees or our other shareholders.
- *Allocation of business opportunities.* Business opportunities may arise that both we and SINA find attractive, and which would complement our respective businesses. SINA may decide to take the opportunities itself, which would prevent us from taking advantage of those opportunities.
- *Developing business relationships with SINA's competitors.* So long as SINA remains as our controlling shareholder, we may be limited in our ability to do business with its competitors, such as other online media companies in China. This may limit our ability to market our services for the best interests of our company and our other shareholders.

Although our company has become a stand-alone public company, we expect to operate, for as long as SINA is our controlling shareholder, as an affiliate of SINA. SINA may from time to time make strategic decisions that it believes are in the best interests of its business as a whole, including our company. These decisions may be different from the decisions that we would have made on our own. SINA's decisions with respect to us or our business may be resolved in ways that favor SINA and therefore SINA's own shareholders, which may not coincide with the interests of our other shareholders. We may not be able to resolve any potential conflicts, and even if we do so, the resolution may be less favorable to us than if we were dealing with a non-controlling shareholder. Even if both parties seek to transact business on terms intended to approximate those that could have been achieved among unaffiliated parties, this may not succeed in practice.

Risks Relating to Our Corporate Structure

Uncertainties exist with respect to the interpretation and implementation of the PRC Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations.

The National People's Congress approved the Foreign Investment Law on March 15, 2019 and the State Council approved the Regulation on Implementing the Foreign Investment Law (the "Implementation Regulations") on December 26, 2019, effective from January 1, 2020, which replaced the trio of existing laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested Enterprise Law, together with their implementation rules and ancillary regulations. The Supreme People's Court of China issued the Interpretation on the Application of the Foreign Investment Law of the PRC on December 26, 2019, effective from January 1, 2020, to ensure fair and efficient implementation of the Foreign Investment Law. According to the judicial interpretation, courts in China shall not, among other things, support contracted parties to claim foreign investment contracts in sectors not on the Special Administrative Measures for Access of Foreign Investment (Negative List) as void because the contracts have not been approved or registered by administrative authorities. The Foreign Investment Law and Implementation Regulations embody an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments.

However, since these rules are relatively new, uncertainties still exist in relation to their interpretation. For instance, under the Foreign Investment Law, "foreign investment" refers to the investment activities directly or indirectly conducted by foreign individuals, enterprises or other entities in China. Though it does not explicitly classify contractual arrangements as a form of foreign investment, there is no assurance that foreign investment via contractual arrangement would not be interpreted as a type of indirect foreign investment activities under the definition in the future. In addition, the definition contains a catch-all provision which includes investments made by foreign investors through means stipulated in laws or administrative regulations or other methods prescribed by the State Council. Therefore, it still leaves leeway for future laws, administrative regulations or provisions promulgated by the State Council to provide for contractual arrangements as a form of foreign investment. In any of these cases, it will be uncertain whether our contractual arrangements will be deemed to be in violation of the market access requirements for foreign investment under the PRC laws and regulations, or whether they may be invalid in whole or in part. Furthermore, if future laws, administrative regulations or provisions prescribed by the State Council mandate further actions to be taken by companies with respect to existing contractual arrangements, we may face substantial uncertainties as to whether we can complete such actions in a timely manner, or at all. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance challenges could materially and adversely affect our current corporate structure, corporate governance and business operations.

If the PRC government determines that the contractual arrangements constituting part of the VIE structure do not comply with PRC regulations on foreign investment in internet and other related businesses, or if these regulations or their interpretation change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.

Current PRC laws and regulations impose certain restrictions or prohibitions on foreign ownership of companies that engage in internet and other related businesses, including the provision of internet content and online game operations. Specifically, foreign ownership of an internet content provider may not exceed 50%. We are a company incorporated in the Cayman Islands and Weibo Technology, our PRC subsidiary, is considered a foreign-invested enterprise. To comply with PRC laws and regulations, we conduct our business in China principally through Weimeng, and its subsidiaries based on a series of contractual arrangements by and among Weibo Technology, Weimeng and its shareholders. We also operate certain investments in China through Weimeng Chuangke and its subsidiaries, based on a series of contractual arrangements by and among Weibo Technology, Weimeng Chuangke and its shareholders. As a result of these contractual arrangements, we exert control over Weimeng and Weimeng Chuangke and treat them as consolidated VIEs. Consequently, we consolidate their operating results in our financial statements under U.S. GAAP. Weimeng and Weimeng Chuangke hold certain assets that are important to our business operations, including the Internet Content License, the Online Culture Operating Permit and domain names held by Weimeng and our investments held by Weimeng Chuangke. Investors of our Class A ordinary shares and/or the ADSs are not purchasing equity interest in the VIEs in China but instead are purchasing equity interest in a Cayman Islands holding company with no direct equity ownership of the VIEs.

In the opinion of our PRC counsel, TransAsia Lawyers, our current ownership structure, the ownership structure of our PRC subsidiaries and the 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. There are, however, substantial uncertainties regarding the interpretation and application of current or future PRC laws and regulations. Thus, we cannot assure you that the PRC government will not ultimately take a view contrary to the opinion of our PRC counsel.

Weibo Corporation, the VIEs and investors of our company face uncertainties about potential actions by the PRC government that could affect the enforceability of the contractual arrangements with the VIEs and, consequently, the business, financial condition, and results of operations of the VIEs and our company as a group. It is uncertain whether any new PRC laws or regulations relating to VIE structures will be adopted, or, if adopted, what requirements would be made. In particular, the National People's Congress approved the Foreign Investment Law and the PRC State Council approved the Implementation Rules of Foreign Investment Law in 2019. There are uncertainties as to how the Foreign Investment Law and its implementation rules would be further interpreted and implemented, and if it would represent a major change to the laws and regulations relating to the VIE structures. See “—Risks Relating to Doing Business in the People's Republic of China—Uncertainties exist with respect to the interpretation and implementation of the PRC Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations.” If we are found in violation of any PRC laws or regulations, the relevant governmental authorities would have broad discretion in dealing with such violation, including, without limitation, levying fines, restricting our right to collect revenues, confiscating our income or the income of the VIEs, revoking our business licenses or the business licenses of the VIEs, requiring us to restructure our ownership structure or operations, and requiring us or the VIEs to discontinue any portion or all of our business. Any of these actions could cause significant disruption to our business operations and may materially and adversely affect our business, financial condition and results of operations. If the PRC government determines that the contractual arrangements constituting part of the VIE structure do not comply with PRC laws and regulations, or if these regulations change or are interpreted differently in the future, our ADSs and/or Class A ordinary shares may decline in value or become worthless if we are unable to assert our contractual control rights over the assets of the VIEs.

We rely on contractual arrangements with the VIEs and their respective shareholders for our operations in China, which may not be as effective in providing operational control as direct ownership.

Due to the PRC restrictions or prohibitions on foreign ownership of internet and other related businesses in China, we operate our business in China through the VIEs, in which we have no ownership interest. We rely on a series of contractual arrangements with the VIEs and their respective shareholders to control and operate their business. These contractual arrangements are intended to provide us with effective control over these VIEs and allow us to obtain economic benefits from them. See “Item 4. Information on the Company—C. Organizational Structure—Contractual Arrangements with the VIEs and Their Respective Individual Shareholders” for more details about these contractual arrangements.

Although we have been advised by our PRC counsel, TransAsia Lawyers, that these contractual arrangements are valid, binding and enforceable under existing PRC laws and regulations, these contractual arrangements may not be as effective in providing control over these VIEs as direct ownership. If any of these VIEs or their shareholders fail to perform their respective obligations under the contractual arrangements, we may incur substantial costs and expend substantial resources to enforce our rights. All of these contractual arrangements are governed by and interpreted in accordance with PRC law, and disputes arising from these contractual arrangements will be resolved through arbitration in China. However, the legal system in China, particularly as it relates to arbitration proceedings, is not as developed as in other jurisdictions, such as the United States. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to you and us.” There are very few precedents and little official guidance as to how contractual arrangements in the context of a variable interest entity should be interpreted or enforced under PRC law. There remain significant uncertainties regarding the ultimate outcome of arbitration should legal action become necessary. These uncertainties could limit our ability to enforce these contractual arrangements. In addition, arbitration awards are final and can only be enforced in PRC courts through arbitration award recognition proceedings, which could cause additional expenses and delays. In the event we are unable to enforce these contractual arrangements or we experience significant delays or other obstacles in enforcing these contractual arrangements, we may not be able to exert effective control over our affiliated entities and may lose control over the assets owned by the VIEs and their subsidiaries. As a result, we may be unable to consolidate Weimeng or Weimeng Chuangke and their respective subsidiaries in our consolidated financial statements, our ability to conduct our business may be negatively affected, and our business operations could be severely disrupted, which could materially and adversely affect our results of operations and financial condition.

In April 2020, WangTouTongDa (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 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. However, we believe Weibo Technology, our wholly-owned PRC subsidiary, still controls and is the primary beneficiary of Weimeng (for accounting purpose only) 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.

Shareholders of the VIEs may have potential conflicts of interest with us, which may affect the performance of the contractual arrangements with the VIEs and their respective shareholders, which may in turn materially and adversely affect our business and financial condition.

Other than the third-party minority stake holder that holds 1% of Weimeng's equity interests, the VIEs' shareholders (the "Individual Shareholders") are PRC employees of our company or SINA. Although each of these Individual Shareholders has authorized Weibo Technology to exercise all of his/her voting powers in Weimeng or Weimeng Chuangke, and we may replace any of these Individual Shareholders at any time pursuant to the share transfer agreements, we cannot assure you that these Individual Shareholders will act in the best interest of our company should any conflict arise. If they were to act in bad faith towards us, we may have to take legal actions to enforce their contractual obligations, which may be expensive, time-consuming and disruptive to our operations. As there remain significant uncertainties regarding the ultimate outcome of a legal action due to the limited number of precedents and lack of official guidance as to how contractual arrangements in the context of a variable interest entity should be interpreted or enforced under PRC law, we cannot assure you that conflicts will be resolved in our favor. If we are unable to resolve any such conflicts, or if we suffer significant delays or other obstacles as a result of such conflicts, our business and operations could be severely disrupted, which could materially and adversely affect our results of operations and financial condition.

We may lose the ability to use and enjoy assets held by any of the VIEs that are important to the operation of our business if such VIE declares bankruptcy or becomes subject to a dissolution or liquidation proceeding.

The VIEs hold certain 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. Under our contractual arrangements with the VIEs, the Individual Shareholders may not voluntarily liquidate the VIE or approve the VIE to sell, transfer, mortgage or dispose of its assets or legal or beneficial interests in the business in any manner without our prior consent. However, in the event that the Individual Shareholders breach this obligation and voluntarily liquidate any VIE, or any VIE declares bankruptcy, or all or part of its assets become subject to liens or rights of third-party creditors, we may be unable to continue some or all of our business operations, which could materially and adversely affect our business, financial condition and results of operations. Furthermore, if any of the VIEs or their subsidiaries undergoes a voluntary or involuntary liquidation proceeding, their shareholders or unrelated third-party creditors may claim rights to some or all of their assets, thereby hindering our ability to operate our business, which could materially and adversely affect our business, financial condition and results of operations.

Contractual arrangements we have entered into with the VIEs may be subject to scrutiny by the PRC tax authorities. A finding that we owe additional taxes could substantially reduce our consolidated net income and the value of your investment.

Pursuant to applicable PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities. We may be subject to adverse tax consequences if the PRC tax authorities determine that the contractual arrangements among our PRC subsidiaries, the VIEs and their Individual Shareholders are not on an arm's length basis and therefore constitute favorable transfer pricing. As a result, the PRC tax authorities could require any of the VIEs to adjust its taxable income upward for PRC tax purposes. Such a pricing adjustment could adversely affect us by increasing such VIE's tax expenses without reducing the tax expenses of our PRC subsidiaries, subjecting such VIE to late payment fees and other penalties for under-payment of taxes, and resulting in our PRC subsidiaries' loss of its preferential tax treatment. Our results of operations may be adversely affected if any of the VIEs' tax liabilities increase or if it is subject to late payment fees or other penalties.

If the chops of our PRC subsidiaries, the VIEs and their respective subsidiaries are not kept safely, are stolen or are used by unauthorized persons or for unauthorized purposes, the corporate governance of these entities could be severely and adversely compromised.

In China, a company chop or seal serves as the legal representation of the company towards third parties even when unaccompanied by a signature. Each legally registered company in China is required to maintain a company chop, which must be registered with the local Public Security Bureau. In addition to this mandatory company chop, companies may have several other chops which can be used for specific purposes. The chops of our PRC subsidiary, the VIEs and their respective subsidiaries are generally held securely by personnel designated or approved by us in accordance with our internal control procedures. To the extent those chops are not kept safely, are stolen or are used by unauthorized persons or for unauthorized purposes, the corporate governance of these entities could be severely and adversely compromised and those corporate entities may be bound to abide by the terms of any documents so chopped, even if they were chopped by an individual who lacked the requisite power and authority to do so. In addition, if the holders of such chops at any of the VIEs failed to employ them in accordance with the terms of the various VIE-related agreements or removed them from the premises, the operation of such VIE could be significantly and adversely impacted.

Risks Relating to Doing Business in China

Regulation and censorship of information disseminated over the internet in China may adversely affect our business and subject us to liability for information displayed on Weibo.

The PRC government has adopted regulations governing internet access and the distribution of information over the internet. Under these regulations, internet content providers and internet publishers are prohibited from posting or displaying the internet content that, among other things, impairs the national dignity of China, is reactionary, obscene, superstitious, fraudulent or defamatory, or otherwise violates PRC laws and regulations. Failure to comply with these requirements may result in the revocation of licenses to provide internet content and other licenses and the closure of the concerned websites and levy of fines. The website operator may also be held liable for such censored information displayed on or linked to the website.

In addition, the MIIT has published regulations that subject website operators to potential liability for content displayed on their websites and for the actions of users and others using their systems, including liability for violations of PRC laws prohibiting the dissemination of content deemed to be socially destabilizing. The Ministry of Public Security has the authority to order any local internet service provider to block any internet website at its sole discretion. From time to time, the Ministry of Public Security stops the dissemination over the internet of information which it believes to be socially destabilizing. The State Administration for the Protection of State Secrets is also authorized to block any website it deems to be leaking state secrets or failing to meet the relevant regulations relating to the protection of state secrets in the dissemination of online information. CAC, set up in May 2011 to supervise internet content management nationwide, has also promulgated regulations and taken a number of other measures to regulate and monitor online content.

Although we attempt to monitor the content posted by users on Weibo, we are not able to effectively control or restrict content generated or placed on Weibo by our users. In particular, with various features such as posts, comments and chat groups and the growing popularity of multi-media content, such as photos, videos and live streaming, and long-form articles, content monitoring has become much more complicated and challenging than text-based feeds.

To the extent that PRC regulatory authorities find any content displayed on Weibo objectionable, they may require us to limit, prevent, or eliminate the dissemination of such information on our platform. The CAC launched the “Clear and Bright” campaign to rectify various areas of online misconduct in May 2021, in response to which, certain policies were issued and actions were launched. On June 15, 2021, the CAC launched the “Fan Group Chaos Rectification” special action, followed by issuance of the Notice on Further Strengthening the Management of Chaos in Fan Groups on August 25, 2021. Both of the special action and notice are intended to modify behaviors in the online fan groups for celebrities, specifically, various fans interactive features and functions, so as to curb attacks, stigmatization, fans community fiction and hostilities, and the spread of other harmful information. The Notice on Further Strengthening the Management of Chaos in Fan Groups requested, among other things, the cancellation of all rankings of celebrities. The rankings of music, film and television works are still allowed, but the network platforms should optimize and adjust ranking rules to focus on the art works themselves and to base rankings on professional evaluation. Furthermore, minors are not allowed to make virtual gifting or spend money on supporting idols, or act as the organizer or manager of a fan group. We have taken measures specified in this notice to the extent applicable to our business, including removing the function of the “star power list” on our platform. In 2022, the CAC launched a series of special actions as part of the “Clear and Bright” campaign, and we have taken measures to comply with the requirements under these special actions to the extent applicable to our business, including filtering and removing offensive content, as well as closing illegal accounts on our platform.

In August 2021, we started to conduct self-examinations and self-rectifications in response to the PRC regulatory authorities’ then regulatory focus on financial blogs. We have identified and rectified certain for-profit bloggers, including KOLs, with inappropriate nicknames, self-descriptions, marketing events, and publication of financial and economics related information. We have publicly disclosed the rectification results on our platform, and established a hotline for users to report any inappropriate events.

On October 26, 2021, the CAC issued the Notice on Further Strengthening the Regulation on Online Information of Entertainment Celebrities, which requests internet platforms to, among others, monitor information posted by celebrities online so as to timely identify hot topics that could involve illegal actions and to promptly report to the competent authorities in such event. Failure to comply with the requirements from PRC regulatory authorities on content regulation may subject us to liabilities and penalties and may even result in the temporary blockage or complete shutdown of our online operations.

We have received penalties for inappropriate or illegal content transmitted on our platform in the past, and we have cooperated with the relevant government authorities to take corrective measures in all cases. For example, in June 2020, CAC imposed a fine of RMB500,000 on us for failing to timely discover and remove user posts violating PRC laws and regulations from our platform, and required us to rectify and suspend the operation of Weibo hot search feature for one week. We were imposed with fines in the past for disseminating illegal content on our platform from the relevant regulatory authorities, which penalties may be publicized on the websites of the relevant regulatory authorities from time to time. We believe these past incidents, individually or in the aggregate, however did not have a material adverse effect on our business, financial condition or results of operations.

The restrictions on internet content under rules and regulations promulgated by PRC regulatory authorities may negatively impact the operation results of our live streaming business. Government standards and interpretations may change in a manner that could render our current monitoring and managing efforts insufficient. The PRC government has wide discretion in regulating online activities and, irrespective of our efforts to control the content on our platform, government campaigns and other actions to reduce inappropriate or illegal content and activities could subject us to negative press or regulatory challenges and sanctions, including imposition of fines, suspension or revocation of our licenses to operate in China or a ban of our platform, including closure of one or more parts of or our entire business. If government actions or sanctions are brought against us, or if there are widespread rumors about any actual or potential government actions or sanctions against us, our reputation could be harmed, we may lose users and other customers, and our revenues and results of operation may be materially and adversely affected.

The Judicial Interpretation on the Application of Law in Trial of Online Defamation and Other Online Crimes jointly promulgated by the Supreme People's Court and Supreme People's Procuratorate, which became effective on September 10, 2013, imposes up to a five-year prison sentence on internet users who fabricate or knowingly share defamatory false information online. The implementation of this judicial interpretation may have a significant and adverse effect on the traffic of our platform and discourage the creation of user-generated content, which in turn may impact the results of our operations and ultimately the trading price of our Class A ordinary shares and/or ADSs.

Regulation and censorship of information disseminated over the internet in China may adversely affect our user experience and reduce users' engagement and activities on our platform as well as adversely affect our ability to attract new users to our platform. Any and all of these adverse impacts may ultimately materially and adversely affect our business and results of operations.

Substantial uncertainties exist with respect to the interpretation and implementation of cybersecurity related regulations and cybersecurity review as well as any impact these may have on our business operations.

The cybersecurity legal regime in China is relatively new and evolving rapidly, and their interpretation and enforcement involve significant uncertainties. As a result, it may be difficult to determine what actions or omissions may be deemed to be in violations of applicable laws and regulations in certain circumstances.

Network operators in China are subject to numerous laws and regulations, and have the obligations to, among others, (i) establish internal security management systems that meet the requirements of the classified protection system for cybersecurity, (ii) implement technical measures to monitor and record network operation status and cybersecurity incidents, (iii) implement data security measures such as data classification, backups and encryption, and (iv) submit for cybersecurity review under certain circumstances.

On November 7, 2016, the Standing Committee of the National People's Congress issued the Cyber Security Law, which imposes more stringent requirements on operators of "critical information infrastructure," especially in data storage and cross-border data transfer.

On December 28, 2021, the CAC, the NDRC, the MIIT, and several other administrations jointly published the Measures for Cybersecurity Review, effective on February 15, 2022, which provides that certain operators of critical information infrastructure purchasing network products and services or network platform operators carrying out data processing activities, which affect or may affect national security, must apply with the Cybersecurity Review Office for a cybersecurity review. However, the scope of operators of “critical information infrastructure” under the current regulatory regime remains unclear and is subject to the decisions of competent PRC regulatory authorities. As advised by our PRC counsel, TransAsia Lawyers, the exact scope of operators of “critical information infrastructure” under the Measures for Cybersecurity Review and current PRC regulatory regime remains unclear, and is subject to the decisions of the relevant PRC government authorities that have been delegated the authority to identify operators of “critical information infrastructure” in their respective jurisdictions (including regions and industries). PRC government authorities have wide discretion in the interpretation and enforcement of these laws, including the identification of operators of “critical information infrastructure” and the interpretation and enforcement of requirements potentially applicable to such operators of “critical information infrastructure.” As a major internet platform, we are at risk of being deemed to be an operator of “critical information infrastructure” or a network platform operator meeting the above criteria under PRC cybersecurity laws. If we are identified as an operator of “critical information infrastructure,” we would be required to fulfill various obligations as required under PRC cybersecurity laws and other applicable laws for such operators of “critical information infrastructure” thus currently not applicable to us, including, among others, setting up a special security management organization, organizing regular cybersecurity education and training, formulating emergency plans for cyber security incidents and conducting regular emergency drills, and although the internet products and services we purchase are primarily bandwidth, copyright content and marketing services, we may need to follow cybersecurity review procedure and apply with Cybersecurity Review Office before making certain purchases of network products and services. During cybersecurity review, we may be required to suspend the provision of any existing or new services to our users, and we may experience other disruptions of our operations, which could cause us to lose users and customers therefore leading to adverse impacts on our business. The cybersecurity review could also lead to negative publicity and a diversion of time and attention of our management and our other resources. It could be costly and time-consuming for us to prepare application materials and make the applications. Furthermore, there can be no assurance that we will obtain the clearance or approval for these applications from the Cybersecurity Review Office and the relevant regulatory authorities in a timely manner, or at all. If we are found to be in violation of cybersecurity requirements in China, the relevant governmental authorities may, at their discretion, conduct investigations, levy fines, request app stores to take down our apps and cease to provide viewing and downloading services related to our apps, prohibit the registration of new users on our platform, or require us to change our business practices in a manner materially adverse to our business. Any of these actions may disrupt our operations and adversely affect our business, results of operations and financial condition.

On November 14, 2021, the CAC published a discussion draft of the Administrative Measures for Internet Data Security, or the Draft Measures for Internet Data Security, which provides that data processors conducting the following activities shall apply for cybersecurity review: (i) merger, reorganization or division of Internet platform operators that have acquired a large number of data resources related to national security, economic development or public interests affects or may affect national security; (ii) listing abroad of data processors processing over one million users’ personal information; (iii) listing in Hong Kong which affects or may affect national security; or (iv) other data processing activities that affect or may affect national security. There have been no clarifications from the authorities as of the date of this annual report as to the standards for determining such activities that “affects or may affect national security.” The CAC has solicited comments on this draft until December 13, 2021, but there is no timetable as to when it will be enacted. As such, substantial uncertainties exist with respect to the enactment timetable, final content, interpretation and implementation. The Draft Measures for Internet Data Security, if enacted as proposed, may materially impact our capital raising activities. Any failure to obtain such approval or clearance from the regulatory authorities could materially constrain our liquidity and have a material adverse impact on our business operations and financial results, especially if we need additional capital or financing.

We believe, to the best of our knowledge, our business operations do not violate any of the above PRC laws and regulations currently in effect in material aspects. We have been taking, and will continue to take, reasonable measures to comply with such laws, regulations, announcement, provisions and inspection requirements. However, the interpretation and application of these cybersecurity laws, regulations and standards are still uncertain and evolving, especially the draft Administrative Measures for Internet Data Security. We cannot assure you that relevant governmental authorities will not interpret or implement these and other laws or regulations in ways that may negatively affect us.

We are required to, but have not been able to, verify the identities of all of our users who post on Weibo, and our noncompliance exposes us to potentially severe penalty by the Chinese government.

The Rules on the Administration of Microblog Development, issued by the Beijing Municipal Government in 2011, stipulate that users who post publicly on microblogs are required to disclose their real identity to the microblogging service provider, though they may still use pen names on their accounts. Microblogging service providers are required to verify the identities of their users. In addition, microblogging service providers based in Beijing were required to verify the identities of all of their users, including existing users who post publicly on their websites. Furthermore, pursuant to the Cyber Security Law passed by the Standing Committee of the National People's Congress, which came into effect on June 1, 2017, we are required to verify users' real identities when they sign up. Further, both the Administrative Measures on Group Chat Service issued on September 7, 2017 and became effective on October 8, 2017, and the Administrative Measures on Internet User Public Account Information Service, which was issued on September 7, 2017 and became effective on October 8, 2017 and amended on January 22, 2021, require verification of any user's identity. On August 1, 2018, the CAC and the other five PRC governmental authorities jointly issued the Circular on Tightening the Administration of Online Live Streaming Services, or the Online Live Streaming Services Circular, which specifies that online live streaming service providers are required to implement real name verification system for users.

We have made significant efforts to comply with the user verification requirements. However, for reasons including existing user behaviors, the nature of the social media product and online live streaming and the lack of clarity on specific implementation procedures, we have not been able to verify the identities of all of the users who post content publicly on Weibo. We are potentially liable for our noncompliance and may be subject to penalties including the deactivation of certain features on Weibo, a written warning, suspension or termination of Weibo operations, fines, revocation of licenses or business license, or other penalties imposed by the Chinese government. Any of the above actions may have a material and adverse impact on the trading price of our Class A ordinary shares and/or ADSs.

Regulatory investigations could cause us to incur additional expenses or change our business practices in a manner materially adverse to our business.

Internet content regulation in China is continuously evolving, which can at times result in sustained periods of enhanced enforcement of content censorship, cyber security reviews, user privacy compliance, and internet financial services oversight. PRC regulators had in the past ordered the suspension or significant curtailment of several content apps and platforms, all in connection with content being shared or accessed by users.

In a period of enhanced scrutiny of internet content, we may become subject to regulatory investigations or audits in connection with products or services we provide or for information or content displayed on, retrieved from or linked to our platform, or distributed to our users. During such investigation, some or all of our products, services, features or functionalities could be terminated, and our Apps could be removed from relevant App stores. It is also possible that a regulatory investigation could result in changes to our policies or practices, could result in reputational harm, prevent us from offering certain products, services, features or functionalities, cause us to incur substantial costs, or require us to change our business practices in a manner materially adverse to our business.

We may have to register our encryption software with Chinese regulatory authorities. If they request that we change our encryption software, our business operations could be disrupted as we develop or license replacement software.

Pursuant to the Regulations for the Administration of Commercial Encryption promulgated in 1999, foreign companies or individuals in China are required to seek approval from the Office of the State for Cipher Code Administration, the Chinese encryption regulatory authority, for the use of commercial encryption products or equipment involving encryption technology. Companies operating in China are allowed to use only commercial cipher code products approved by this authority and are prohibited to use self-developed or imported cipher code products without approval. In addition, all cipher code products shall be produced by those producers appointed and approved by this authority. Additional rules became effective in 2006 and amended in 2017 regulating many aspects of commercial cipher code products in detail, including development, production and sales.

Because these regulations do not specify what constitutes a cipher code product, we are unsure as to whether or how they apply to us and the encryption software we utilize. We may be required to register or apply for permits for our current or future encryption software. If the PRC authorities request that we register our encryption software or change our current encryption software to an approved cipher code product produced by an appointed producer, it could disrupt our business operations.

Regulations on virtual currency may adversely affect our game operations revenues.

We have provided Weibo Credit as an online virtual currency for users to purchase in-game virtual items or other types of fee-based services on our platform. In the fourth quarter of 2020, we acquired the majority equity shares of JM Tech, a company operating several online interactive entertainment apps in China including “Pocket Werewolves.” JM Tech provides “gold coin” as an online virtual currency for users to purchase items to be used in those apps. The Notice on the Strengthening of Administration on Online Game Virtual Currency, jointly issued by the Ministry of Culture and the Ministry of Commerce in 2009, broadly defined virtual currency as a type of virtual exchange instrument issued by internet game operation enterprises, purchased directly or indirectly by the game users by exchanging legal currency at a certain exchange rate, saved outside the game programs, stored in servers provided by the internet game operation enterprises in electronic record format and represented by specific numeric units. Virtual currency is used to exchange internet game services provided by the issuing enterprise for a designated extent and time, and is represented by several forms, such as online prepaid game cards, prepaid amounts or internet game points, and does not include game props obtained from playing online games. In 2009, the Ministry of Culture further promulgated the Filing Guidelines on Online Game Virtual Currency Issuing Enterprises and Online Game Virtual Currency Trading Enterprises, which specifically defines “issuing enterprise” and “trading service enterprise” and stipulates that a single enterprise may not operate both types of business.

Although we believe our operations are in compliance with the Notice on the Strengthening of Administration on Online Game Virtual Currency, as we do not offer online game virtual currency trading services, we cannot assure you that the PRC regulatory authorities will not take a view contrary to ours, in which case we may be subject to fines or even required by the PRC regulators to change our practices related to Weibo Credit or “gold coin” in games operated by JM Tech, which consequently will have an adverse effect on our game-related revenues.

Adverse changes in China’s or global economic and political policies could have a material and adverse effect on overall economic growth in China, which could materially and adversely affect our business.

Substantially all of our operations are conducted in China and substantially all of our revenues are sourced from China. Accordingly, our results of operations, financial condition and prospects are influenced by economic, political and legal developments in China. Economic reforms begun in the late 1970s have resulted in significant economic growth. However, any economic reform policies or measures in China may from time to time be modified or revised. China’s economy differs from the economies of most developed countries in many respects, including the extent of the government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. The PRC government exercises significant control over China’s economic growth through strategically allocating resources, controlling the payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. The PRC government has significant authority to exert influence on the ability of a China-based company, such as us, to conduct its business. Therefore, investors of our company and our business face potential uncertainties from the PRC government.

While the PRC economy has experienced significant growth in the past decades, growth has been uneven across different regions and between economic sectors, and the growth rate of the Chinese economy has gradually slowed since 2010, which trend may continue. Furthermore, China’s GDP growth turned negative in the first quarter of 2020. Any adverse changes in economic conditions in China, in the policies of the Chinese government or in the laws and regulations in China could have a material adverse effect on the overall economic growth of China. Such developments could adversely affect our business and operating results, lead to reduction in demand for our products and services and adversely affect our competitive position. The Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall Chinese economy, but may have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations.

COVID-19 had a severe and negative impact on the Chinese and the global economy since 2020. Whether this will lead to a prolonged downturn in the economy is still unknown. Even before the outbreak of COVID-19, the global macroeconomic environment was facing numerous challenges. The growth rate of the Chinese economy has gradually slowed in recent years and the trend may continue. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies which had been adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China, even before 2020. Unrest, terrorist threats and the potential for war in the Middle East and elsewhere may increase market volatility across the globe. There have also been concerns about the relationship between China and other countries, including the surrounding Asian countries, which may potentially have economic effects. In particular, there is significant uncertainty about the future relationship between the United States and China with respect to trade policies, treaties, government regulations and tariffs. Economic conditions in China are sensitive to global economic conditions, as well as changes in domestic economic and political policies and the expected or perceived overall economic growth rate in China. Any severe or prolonged slowdown in the global or Chinese economy may further materially and adversely affect our business, results of operations and financial condition.

The PRC government's significant oversight and discretion over our business operation could result in a material adverse change in our operations and the value of our listed securities.

We conduct our operations in China through our PRC subsidiaries and the VIEs with which we have maintained contractual arrangements and their subsidiaries in China. Our operations in China are governed by PRC laws and regulations. The PRC government has significant oversight and discretion over the conduct of our business, and it may influence our operations, which could result in a material adverse change in our operation and/or the value of our Class A ordinary shares and/or ADSs.

Also, the PRC government has recently indicated an intent to exert more oversight and control over offerings that are conducted overseas and/or foreign investment in China-based issuers. For example, on July 6, 2021, the relevant PRC government authorities made public the Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law. These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies. On February 17, 2023, the CSRC issued the Trial Measures and the Guidance Rules, which collectively establish a new regime to regulate overseas offerings and listings by domestic companies. Any future securities offerings and listings outside of mainland China by our company, including but not limited to follow-on offerings, issuance of convertible corporate bonds and exchangeable bonds, and other equivalent offering activities, either directly or indirectly, will be subject to the filing requirements with CSRC under the Trial Measures, and we cannot assure you that we will be able to comply with such filing requirements in a timely manner, or at all.

On April 12, 2020, the NDRC, the MIIT, and several other administrations jointly published the Measures for Cybersecurity Review, which was amended on December 28, 2021 with effect from February 15, 2022. The Measures for Cybersecurity Review require that, among others, operators of "critical information infrastructure" purchasing network products and services or network platform operators carrying out data processing activities, that affect or may affect national security, shall apply with the Cybersecurity Review Office for a cybersecurity review. In addition, a network platform operator holding over one million users' personal information shall apply with the Cybersecurity Review Office for a cybersecurity review before any public offering at a foreign stock exchange.

On November 14, 2021, the CAC released the draft Administrative Measures for Internet Data Security, or the Draft Measures for Internet Data Security, for public comments, which requires, among others, that a prior cybersecurity review should be required for listing abroad of data processors which process over one million users' personal information, and the listing of data processors in Hong Kong which affects or may affect national security.

On July 7, 2022, the CAC published the Outbound Data Transfer Security Assessment Measures, with effect from September 1, 2022, which require a data processor to apply for security assessment with the CAC before providing important data or personal information to overseas recipients under certain circumstances. On February 22, 2023, the CAC promulgated the Personal Information Outbound Transfer Standard Contract Measures, with effect from June 1, 2023, which provide that the personal information processor who provides personal information to overseas recipients through execution of standard contract with such overseas recipient shall meet certain criteria, conduct a personal information protection impact assessment before providing any personal information to an overseas recipient, and complete the filing with local cybersecurity authority within ten working days from the effective date of the standard contract.

Since the Draft Measures for Internet Data Security is in the process of being formulated and the Measures for Cybersecurity Review, the Outbound Data Transfer Security Assessment Measures, the Personal Information Outbound Transfer Standard Contract Measures and the Trial Measures are relatively new, there remains unclear on how these rules and regulations will be interpreted, amended and implemented by the relevant PRC governmental authorities, and it is uncertain whether we would be able to obtain such approvals or complete filings or other procedures in a timely manner, or at all, and such approvals may be rescinded even if obtained. Any such circumstance could significantly limit or completely hinder our ability to continue to offer securities to investors and cause the value of such securities to significantly decline or be worthless. In addition, implementation of industry-wide regulations directly targeting our operations could cause the value of our securities to significantly decline. Therefore, investors of our company and our business face potential uncertainty from actions taken by the PRC government affecting our business.

Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to you and us.

The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions may be cited for reference but have limited precedential value.

In 1979, 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 enhanced the protections afforded to various forms of foreign investments in China. However, China has not developed a fully integrated legal system, and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in China. In particular, the interpretation and enforcement of these laws and regulations involve uncertainties. Since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection available to you and us.

Furthermore, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all, and which may have a retroactive effect. As a result, we may not be aware of our violation of any 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.

We face uncertainties with respect to the enactment, interpretation and implementation of Notice 78.

On November 12, 2020, the NRTA issued the Notice on Strengthening the Management of Online Show Live Streaming and E-commerce Live Streaming, or the Notice 78. According to the Notice 78, platforms providing online show live streaming or e-commerce live streaming services shall, among other things, register their information and business operations by November 30, 2020, ensure real-name registration for all live streaming hosts and virtual gifting users, prohibit users that are minors or without real-name registration from virtual gifting, and set a limit on the maximum amount of virtual gifting per time, per day, and per month.

There is currently no explicit provisions as to what limits on virtual gifting will be imposed by the NRTA pursuant to Notice 78 and it is unclear how and to what degree any such limits would be imposed on different platforms. Given there is no explicit provisions on how to set the limit on virtual gifting, we are currently not able to assess the potential impact from this requirement under Notice 78 on the virtual gifting spending activities on our platform. Any such limits ultimately imposed may negatively impact our revenues derived from virtual gifting and our results of operations.

Notice 78 requests the live streaming platforms for online shows and e-commerce to register in the National Internet Audio-Visual Platforms Information Management System. Weibo has completed such registration, which is valid until June 30, 2024. Notice 78 also sets forth requirements for certain live streaming businesses with respect to, among others, real-name registration, limits on user spending on virtual gifting, restrictions on minors on virtual gifting, live streaming review personnel requirements, and content tagging requirements. We have implemented real-name registration system for all of our live streaming hosts and users. For more information on Notice 78, see “Item 4. Information on the Company—B. Business Overview—Regulation—Regulations on Online Live-streaming Services.”

Since some of the requirements in Notice 78 remain unclear and have no explicit provisions or implementation standards, we are still in the process of getting further guidance from regulatory authorities and evaluating the applicability and effect of the various requirements under Notice 78 on our business. Any further rulemaking under Notice 78 or other intensified regulation with respect to live streaming may increase our compliance burden in the live streaming business, and may have an adverse impact on our business and results of operations.

The approval of and the filing with the CSRC or other PRC government authorities may be required in connection with our future offshore offerings under PRC law, and, if required, we cannot predict whether or for how long we will be able to obtain such approval or complete such filing.

Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, requires an overseas special purpose vehicle formed for listing purposes through acquisitions of PRC domestic companies and controlled by PRC persons or entities to obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. The interpretation and application of the regulations remain unclear, and our offshore offerings may ultimately require approval of the CSRC. If the CSRC approval is required, it is uncertain whether we can or how long it will take us to obtain the approval and, even if we obtain such CSRC approval, the approval could be rescinded. Any failure to obtain or delay in obtaining the CSRC approval for any of our offshore offerings, or a rescission of such approval if obtained, would subject us to sanctions imposed by the CSRC or other PRC regulatory authorities, which could include fines and penalties on our operations in China, restrictions or limitations on our ability to pay dividends outside of China, and other forms of sanctions that may materially and adversely affect our business, financial condition, and results of operations.

On April 13, 2020, the CAC, the NDRC and other PRC government authorities jointly promulgated the Measures for Cybersecurity Review, which was amended on December 28, 2021 with effect from February 15, 2022. The Measures for Cybersecurity Review require that, among others, operators of "critical information infrastructure" purchasing internet products or services or network platform operators carrying out data processing activities, that affect or may affect national security, shall apply with the Cybersecurity Review Office for a cybersecurity review. In addition, a network platform operator holding over one million users' personal information shall apply with the Cybersecurity Review Office for a cybersecurity review before any public offering and listing on a foreign stock exchange. On November 14, 2021, the CAC released the draft Administrative Measures for Internet Data Security, or the Draft Measures for Internet Data Security, for public comments, which requires, among others, that a prior cybersecurity review would be required for the overseas listing of data processors that process over one million users' personal information, or the listing of data processors in Hong Kong that affects or may affect national security.

On July 6, 2021, the relevant PRC government authorities issued Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law. These opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies and proposed to take effective measures, such as promoting the construction of relevant regulatory systems to deal with the risks and incidents faced by China-based overseas-listed companies.

On February 17, 2023, the CSRC issued Trial Administrative Measures of Overseas Securities Offerings and Listings by Domestic Companies, or the Trial Measures, with effect from March 31, 2023, and the No.1 to No.5 Supporting Guidance Rules, collectively, the Guidance Rules. The Trial Measures, together with the Guidance Rules, establish a new regime to regulate overseas offerings and listings by domestic companies. Any future securities offerings and listings outside of mainland China by our company, including but not limited to follow-on offerings, issuance of convertible corporate bonds and exchangeable bonds, and other equivalent offering activities, either directly or indirectly, will be subject to the filing requirements with CSRC under the Trial Measures, and we cannot assure you that we will be able to comply with such filing requirements in a timely manner, or at all. Failure to comply with the filing requirements under the Trial Measures may result in warnings, forced corrections, and fines of not less than RMB1 million and not more than RMB10 million for the relevant PRC companies. The responsible persons may face a warning and fines of not less than RMB0.5 million and not more than RMB5 million. Additionally, fines of not less than RMB1 million and not more than RMB10 million may be imposed on the PRC company's controlling shareholder(s) and actual controller(s) who organized or instructed the violation. The Trial Measures have no retroactive effect and thus are not applicable to our listing and offering prior to the promulgation. However, as the Trial Measures are newly published and there are substantial uncertainties with respect to the filing requirements and overall implementation at this stage, we cannot assure you that, if the conditions are met and any filing or other procedure is required, we would be able to complete such filing or procedure for our future offering or listing, if any, and fully comply with the Trial Measures on a timely basis, if at all. Any failure or perceived failure by us to comply with the requirements under the Trial Measures may result in forced corrections, warnings and fines against us and could materially hinder our ability to offer or continue to offer our securities. For details, please see "Item 4. Information on the Company—B. Business Overview—Regulation—Regulations on Concentration in Merger and Acquisition Transactions and Overseas Listings."

On December 27, 2021, the NDRC and the Ministry of Commerce jointly issued the Special Administrative Measures (Negative List) for Foreign Investment Access (2021 Version), or the 2021 Negative List, which became effective on January 1, 2022. Pursuant to the Special Administrative Measures, if a PRC company engaging in the prohibited business stipulated in the 2021 Negative List seeks an overseas offering and listing, it shall obtain the approval from the competent governmental authorities. Besides, the foreign investors of the issuer shall not be involved in the company's operation and management, and their shareholding percentages shall be subject, *mutatis mutandis*, to the relevant regulations on the domestic securities investments by foreign investors. As the 2021 Negative List is relatively new, there remain substantial uncertainties as to the interpretation and implementation of these new requirements, and it is unclear as to whether and to what extent listed companies like us will be subject to these new requirements. If we are required to comply with these requirements and fail to do so on a timely basis, if at all, our business operation, financial conditions and business prospect may be adversely and materially affected.

In addition, we cannot assure you that any new rules or regulations promulgated in the future will not impose additional requirements on us. If it is determined in the future that approval from and filing with the CSRC or other regulatory authorities or other procedures, including the cybersecurity review under the Measures for Cybersecurity Review and the Draft Measures for Internet Data Security, are required for our offshore offerings, it is uncertain whether we can or how long it will take us to obtain such approval or complete such filing procedures and any such approval or filing could be rescinded or rejected. Any failure to obtain or delay in obtaining such approval or completing such filing procedures for our offshore offerings, or a rescission of any such approval or filing if obtained by us, would subject us to sanctions by the CSRC or other PRC regulatory authorities for failure to seek CSRC approval or filing or other government authorization for our offshore offerings. These regulatory authorities may impose fines and penalties on our operations in China, limit our ability to pay dividends outside of China, limit our operating privileges in China, delay or restrict the repatriation of the proceeds from our offshore offerings into China or take other actions that could materially and adversely affect our business, financial condition, results of operations, and prospects, as well as the trading price of our listed securities. The CSRC or other PRC regulatory authorities also may take actions requiring us, or making it advisable for us, to halt our offshore offerings before settlement and delivery of the shares offered. Consequently, if investors engage in market trading or other activities in anticipation of and prior to settlement and delivery, they do so at the risk that settlement and delivery may not occur. In addition, if the CSRC or other regulatory authorities later promulgate new rules or explanations requiring that we obtain their approvals or accomplish the required filing or other regulatory procedures for our prior offshore offerings, we may be unable to obtain a waiver of such approval requirements, if and when procedures are established to obtain such a waiver. Any uncertainties or negative publicity regarding such approval requirement could materially and adversely affect our business, prospects, financial condition, reputation, and the trading price of our listed securities.

Any failure or perceived failure by us to comply with the Anti-Monopoly Guidelines for Internet Platforms Economy Sector and other PRC anti-monopoly laws and regulations may result in governmental investigations or enforcement actions, litigation or claims against us and could have an adverse effect on our business, financial condition and results of operations.

The PRC anti-monopoly enforcement agencies have strengthened enforcement under the PRC Anti-Monopoly Law in recent years. On December 28, 2018, the SAMR, issued the Notice on Anti-monopoly Enforcement Authorization, pursuant to which its province-level branches are authorized to conduct anti-monopoly enforcement within their respective jurisdictions. On September 11, 2020, the Anti-Monopoly Commission of the State Council issued Anti-monopoly Compliance Guideline for Operators, which requires operators to establish anti-monopoly compliance management systems under the PRC Anti-Monopoly Law to manage anti-monopoly compliance risks. On February 7, 2021, the Anti-Monopoly Commission of the State Council published Anti-Monopoly Guidelines for the Internet Platform Economy Sector that specified circumstances where an activity of an internet platform will be identified as monopolistic act as well as concentration filing procedures for business operators, including those involving variable interest entities. On March 12, 2021, the SAMR published several administrative penalty cases about concentration of business operators that violated PRC Anti-Monopoly Law in the internet sector. On April 13, 2021, we, together with 33 other major internet platforms in China, attended an administrative guidance meeting for Internet platform enterprises jointly convened by the CAC, the China Taxation Administration and the SAMR. In the meeting, we were instructed to conduct a self-inspection within one month to focus on rectifying possible violation of anti-monopoly laws, such as exclusivity arrangements known as “pick one out of two,” abuse of dominant market position, monopolistic agreements, and the illegal concentration of business operators, and to submit compliance commitments for public supervision. The rectification procedures generally include three steps: first, our company to conduct a self-examination and self-rectification and deliver a report to the relevant government authority for review; second, the government authority to provide comments on the report and guidance for our company to achieve compliance with the relevant PRC laws and regulations; and third, the government will make an inspection and confirm the rectification results. Weibo has initiated a self-inspection and rectification following the instructions received in this meeting, and submitted a report which is currently under the review of government authority. It is still uncertain how these requirements will be implemented and whether there will be further legislation and administration activities.

On November 16, 2021, the SAMR issued a decision of administrative penalty to Weimeng Chuangke with a fine of RMB500,000 based on the determination that Weimeng Chuangke’s share acquisition of 36% shares of Jinhua Ruian Investment Management Co., Ltd. constituted a concentration of business operators without prior filing pursuant to the Anti-Monopoly Law. Weimeng Chuangke timely paid the fine as required by such decision of administrative penalty.

On March 31, 2022, the SAMR issued a decision of administrative penalty to Weimeng Chuangke with a fine of RMB500,000 based on the determination that Weimeng Chuangke’s share acquisition of 68.9% shares of Shanghai Jiamian Information Technology Co., Ltd. constituted a concentration of business operators without prior filing pursuant to the Anti-Monopoly Law. Weimeng Chuangke timely paid the fine as required by such decision of administrative penalty.

On July 11, 2022, the SAMR issued a decision of administrative penalty to Weimeng Chuangke with a fine of RMB500,000 based on the determination that Weimeng Chuangke’s acquisition of 10% shares of Beijing Hejuhuitong E-commerce Co., Ltd. and obtaining joint control with the other investor and the founders of Beijing Hejuhuitong E-commerce Co., Ltd., constituted a concentration of business operators without prior filing pursuant to the Anti-Monopoly Law. Weimeng Chuangke timely paid the fine as required by such decision of administrative penalty.

On December 24, 2021, nine authorities, including the NDRC, jointly issued the Opinions on Promoting the Healthy and Sustainable Development of Platform Economy, which provides that, among others, monopolistic agreements, abuse of dominant market position and illegal concentration of business operators in the field of platform economy will be strictly investigated and punished in accordance with the relevant laws.

On June 24, 2022, the Standing Committee of the National People’s Congress adopted the Anti-Monopoly Law, which came into effect on August 1, 2022. The new law increases fines for illegal business concentration to a maximum of 10% of the operator’s previous year’s sales revenue if the concentration has the potential to exclude or limit competition. The fine could be up to RMB5 million if the concentration has no effect of excluding or limiting competition. The law also mandates that relevant authorities order operators to report concentration, even below the filing threshold, if there is evidence of potential anti-competitive harm. On March 10, 2023, the SAMR issued four implementing rules to provide further clarity on the new Anti-Monopoly Law. These rules include provisions for curbing abuse of administrative power, prohibiting monopoly agreements, preventing abuse of market dominance, and reviewing undertakings’ concentration.

The strengthened enforcement of the Anti-Monopoly Law could result in investigations on our acquisition transactions conducted in the past and make our acquisition transactions in the future more difficult due to the prior filing requirement. The PRC anti-monopoly laws may increase our compliance burden, particularly in the context of relevant PRC authorities recently strengthening supervision and enforcement of the Anti-Monopoly Law against internet platforms. Given that we do not hold a dominant market position in the relevant markets and we have not entered into any monopolistic agreement, our PRC legal advisor, TransAsia Lawyers, is of the view that, except for our acquisitions that are under investigation for concentration of business operators or determined by the SAMR that constituted a concentration of business operators without prior filing required by the Anti-Monopoly Law, we are in compliance with the currently effective PRC anti-monopoly laws in all material aspects; however, if the PRC regulatory authorities identify any of our activities as monopolistic under the PRC Anti-Monopoly Law and its implementing rules, or the Anti-Monopoly Guidelines for the Internet Platform Economy Sector, or identify us holding a dominant market position or of abusing such dominant position, we may be subject to other investigations and administrative penalties, such as termination of monopolistic act and confiscation of illegal gains. There are significant uncertainties associated with the evolving legislative activities and varied local implementation practices of anti-monopoly and competition laws and regulations in China, especially with respect to the interpretation, implementation and enforcement of the new Anti-Monopoly Law and its implementing rules. It will be costly for us to adjust our business practices in order to comply with these evolving laws, regulations, rules, guidelines and implementations. Any non-compliance or associated inquiries, investigations and other governmental actions may divert significant management time and attention and our financial resources, lead to negative publicity, liabilities or administrative penalties, therefore materially and adversely affect our financial conditions, operations and business prospects. If we are required to take any rectifying or remedial measures or are subject to any penalties, our reputation and business operations may be materially and adversely affected.

We may be adversely affected by the complexity, uncertainties and changes in PRC licensing and regulation of internet businesses.

The PRC government extensively regulates the internet industry, including the licensing and permit requirements pertaining to companies in this industry. Internet-related laws and regulations in China are relatively new and evolving, and their interpretation and enforcement involve significant uncertainty. As a result, it may be difficult to determine what actions or omissions may be deemed to be violations of applicable laws and regulations in certain circumstances.

Weimeng holds an Internet Content Provision License and an Online Culture Operating Permit that are necessary for operating our current business in China. Weimeng also holds an inter-regional Value-Added Telecommunications Services Operating License for provision of value-added telecommunication services nationwide. However, we cannot assure you that we have obtained all the permits or licenses required for conducting our business in China or will be able to maintain our existing licenses or obtain any new licenses if required by any new laws or regulations. See “Item 4. Information on the Company—B. Business Overview—Regulation—Regulations on Online Game Operations and Cultural Products.” Companies engaging in internet broadcasting activities must first obtain an audio/video program transmission license. See “Item 4. Information on the Company—B. Business Overview—Regulation—Regulations on Broadcasting Audio/Video Programs through the Internet” for more details. Weimeng is not qualified to obtain the internet audio/video program transmission license under the current legal regime as it is not a wholly state-owned or state-controlled company and it was not operating prior to the issuance of the Rules for the Administration of Internet Audio and Video Program Services, commonly known as Circular 56. Weimeng plans to apply for an internet audio/video program transmission license when feasible to do so. In June 2017, the State Administration of Press, Publication, Radio, Film and Television of the People’s Republic of China issued a public notice stating that it had requested the local competent authorities to take measures to suspend several companies’ video and audio services due to their lacking of an internet audio/video program transmission license and posting of certain commentary programs with content in violation of government regulations on their sites, and Weibo is named as one of these companies. In the past, Weibo received decisions on administrative penalties which imposed a warning and a fine on Weimeng on the grounds that Weimeng carried on internet audio/video program services without obtaining the internet audio/video program transmission license and provided online broadcasting services for relevant programs posted by certain registered users of Weibo. Since 2020, Weimeng has not received administrative penalty for carrying on internet audio/video services without license but received administrative penalties from time to time due to illegal content posted by its users. We have paid the fine as required and cooperated with the relevant government authorities to take corrective measures, including, among other measures, immediate removal of relevant audio/video programming, warning or banning live streaming hosts, and improving our ability to identify and intercept illegal content. We have registered with the National Internet Audio-Visual Platforms Information Management System, through which our operations are supervised and guided by the National Radio and Television Administration and its local branches. This registration will expire after June 30, 2024. However, there can be no assurance that there will not be any further enforcement action, the occurrence of which may result in further liabilities, penalties and operational disruption. See “Item 4. Information on the Company—B. Business Overview—Regulation—Regulations on Internet News Dissemination.” In addition, we may be required to obtain an internet publishing permit due to the online game related services we provided and the contents generated by our users. Weimeng has been actively communicating with the relevant regulator for the application of an internet publishing permit. Weimeng may not be able to obtain such license due to inappropriate or illegal content generated by users. Before we obtain such licenses or any additional licenses required by new laws and regulations, we could be subject to liabilities and penalties for providing online publishing services without the relevant licenses, including removal of the relevant online publications, confiscation of illegal income, fines, and/or the closure of our relevant websites, which could lead to severe disruption to our business operation.

Foreign investment in online game operation is prohibited under PRC law. We currently provide our online game services through Weimeng, Weibo Interactive and Weimeng Chuangke’s subsidiaries. However, certain contracts relating to our online game services were entered into between our PRC subsidiaries, Weimeng and the game developers, under which our PRC subsidiaries, together with Weimeng, provides certain technical services through our website. Under these agreements, our PRC subsidiaries, foreign-invested enterprises, may be deemed to be providing value-added telecommunication services without the necessary licenses. If so, we may be subject to sanctions, including payment of delinquent taxes and fines, which may significantly disrupt our operations and materially and adversely affect our business, results of operations and financial condition.

Furthermore, the operation of online games in China is highly regulated by the PRC government. The publication of a new online game or a significant upgrade of an existing online game requires approval from the National Press and Publication Administration, or the NPPA. There are uncertainties with respect to the interpretation and implementation of the laws and regulations governing online games. Although most of the games on our website have obtained approval from the NPPA, certain games may not be able to obtain such approval due to the narrow interpretation of the scope of “game” adopted by NPPA in practice. For example, “Pocket Werewolves” operated by JM Tech may not be able to obtain the approval from NPPA as it is considered a social app instead of a game app. If any online game operated on our platform or by JM Tech fails to timely obtain necessary regulatory approval, the operator of the relevant game may be subject to various penalties and the operation of the relevant game could be suspended or discontinued, which could adversely affect our business. The Interim Measures for the Administration of Online Games that was issued by the Ministry of Culture, on June 3, 2010, and last amended on December 15, 2017, comprehensively regulated the activities related to online game business until July 10, 2019 when it was abolished by the Culture and Tourism of the PRC according to the Decision on Abolishing the Interim Measures for the Administration of Online Games and the Measures for the Administration of Tourism Development Planning. As of the date of this annual report, the governmental authorities have not issued laws or regulations to replace the Interim Measures on Administration of Online Games.

In addition, due to the increasing popularity and use of the internet, online games and other online services, it is possible that additional laws and regulations may be adopted with respect to the internet, online games or other online services covering issues such as user privacy, pricing, content, copyrights and distribution. The adoption of additional laws or regulations may decrease the growth of the internet, online games or other online services, which could in turn decrease the demand for our products and services and increase our cost of doing business.

If the game publishers and operators fail to maintain the normal publication and operation of their online games, or if they fail to complete or obtain the necessary approvals of their online games, our operations may be negatively impacted, and we may be subject to penalties for live streaming such games.

We may be adversely affected by PRC regulations to limit the method and manner that the internet companies may apply when using algorithms.

Recently, PRC government has taken steps to limit the method and manner that the internet companies may apply when using the algorithms. For instance, the CAC, together with eight other governmental authorities, jointly issued the Guidelines on Strengthening the Comprehensive Regulation of Algorithms for Internet Information Services on September 17, 2021, which provides that daily monitoring of data use, application scenarios and effects of algorithms shall be carried out by the relevant regulators, and security assessments of algorithms shall be conducted by the relevant regulators. The guidelines also provide that an algorithm filing system shall be established, and classified security management of algorithms shall be promoted. In addition, the CAC issued the Administrative Provisions on Algorithm Recommendation of Internet Information Services on December 31, 2021, effective on March 1, 2022, which provides that algorithms recommendation service providers are not allowed to use algorithms to register false user accounts, block information, give excessive recommendations, and that users should be given the option to easily turn off algorithm recommendation services. Our social interest graph recommendation engine, which leverages our database of users' social interest graphs based on their engagement actions on our platform, allows us to push the content that the users may find more relevant and interesting. To comply with the Administrative Provisions on Algorithm Recommendation of Internet Information Services, we may need to further adjust our business and operations. For instance, algorithms recommendation service providers are required to complete the filings on the algorithm filing system and publicly disclose the basic principles, purposes, intention, and operating mechanism of our algorithm-related products. In response to this requirement, we have filed four of our algorithms on the Internet Information Service Algorithm Filing System in 2022 and publicly disclosed the operation mechanism for "Weibo hot search" and provided an option for our users to limit algorithm-driven recommendations for content and advertisements in certain ways. However, the impact on our business operations is still substantially uncertain since this rule is relatively new and uncertainties still exist in relation to its interpretation. The impact on our SIG recommendation engine still depends largely on the number of users who actually turn off our algorithm recommendation services. If such opt-out ratio turns out to be on the high end, the advertisement efficiency on our platform may ultimately be lowered and our business operations may be adversely affected. Furthermore, the CAC released the draft Administrative Measures for Generative Artificial Intelligence Services on April 11, 2023 for public comments, pursuant to which, any entity or individual that utilizes generative AI products to provide chats, texts, pictures, and audio generation services, including supporting others to generate chats, texts, pictures, and audios through API or other means, or the Providers, assume the responsibility of content producer for the content generated by generative AI products. If personal information is involved, the Providers are required to take responsibility as the personal information processor and protect personal information. Furthermore, before using generative AI products to provide services to the public, providers must apply for a security assessment from the national cyberspace authority and fulfill certain algorithm filings procedures. The CAC has solicited comments on this draft until May 10, 2023. However, there is no timetable for its enactment. As such, substantial uncertainties exist with respect to the enactment timetable, final content, interpretation, and implementation.

PRC regulations of loans to PRC entities and direct investment in PRC entities by offshore holding companies may delay or prevent us from using offshore funds to make loans or additional capital contributions to our PRC subsidiaries.

We may transfer funds to our PRC subsidiaries or finance our PRC subsidiaries by means of shareholder loans or capital contributions. Any loans from us to our PRC subsidiaries, which is a foreign-invested enterprise, cannot exceed statutory limits based on the difference between the registered capital and the investment amount of such subsidiaries or 200% of its net assets, and shall be registered with the State Administration of Foreign Exchange, or SAFE, or its local counterparts. Any capital contributions we make to our PRC subsidiaries is subject to the requirement of necessary filings in the Foreign Investment Comprehensive Management Information System and registration with other governmental authorities. We may not be able to obtain these government registrations or approvals on a timely basis, if at all. If we fail to receive such registrations or approvals, our ability to provide loans or capital contributions to our PRC subsidiaries in a timely manner may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

On March 30, 2015, SAFE issued the Circular on Reform of the Administrative Rules of the Payment and Settlement of Foreign Exchange Capital of Foreign-Invested Enterprises, or SAFE Circular 19, which became effective on June 1, 2015. SAFE Circular 19 adopts a concept of “discretionary conversion,” which is defined as the conversion of a foreign-invested enterprise’s foreign currency registered capital in accordance with the enterprise’s actual business needs. No review of the purpose of the funds is required at the time of conversion under SAFE Circular 19. However, use of any RMB funds converted from its registered capital shall be based on true transactions. In addition, equity investments using converted registered capital are no longer prohibited under SAFE Circular 19.

SAFE issued the Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts, or SAFE Circular 16, on June 9, 2016, which became effective on the same day. Pursuant to SAFE Circular 16, enterprises registered in the PRC may also convert their foreign debts from foreign currency to RMB on self-discretionary basis. SAFE Circular 16 provides an integrated standard for conversion of foreign exchange under capital account items (including but not limited to foreign currency capital and foreign debts) on self-discretionary basis which applies to all enterprises registered in the PRC. SAFE Circular 16 reiterates the principle that RMB converted from foreign currency-denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope or prohibited by PRC laws or regulations, while such converted RMB shall not be provided as loans to its non-affiliated entities, or used for construction and purchase of non-self-used real estate (excluding real estate enterprises) or unless otherwise expressly provided in law, directly or indirectly used in securities investment or other financial management excluding the bank capital preservation products.

Violations of SAFE Circular 19 and SAFE Circular 16 could result in administrative penalties. SAFE Circular 19 and SAFE Circular 16 may significantly limit our ability to transfer any foreign currency we hold, including the net proceeds from our equity offering and notes offering, to our PRC subsidiaries, which may adversely affect our liquidity and our ability to fund and expand our business in China.

On October 23, 2019, SAFE issued the Notice of the State Administration of Foreign Exchange on Further Promoting the Facilitation of Cross-border Trade and Investment, or SAFE Circular 28. SAFE Circular 28 allows non-investment foreign-invested enterprises to use their capital funds to make equity investments in China, provided that such investments do not violate the Negative List and that the target investment projects are genuine and in compliance with PRC laws.

In light of the various requirements imposed by PRC regulations on loans to and direct investment in PRC entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans by us to our PRC subsidiaries or with respect to future capital contributions by us to our PRC subsidiaries. If we fail to complete such registrations or obtain such approvals, our ability to use the proceeds we received from our equity offering and notes offering and to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

We may be subject to penalties, including restriction on our ability to inject capital into our PRC subsidiaries and our PRC subsidiaries’ ability to distribute profits to us, if our PRC resident shareholders beneficial owners fail to comply with relevant PRC foreign exchange rules.

The SAFE promulgated the Circular on Relevant Issues Relating to Domestic Resident’s Investment and Financing and Roundtrip Investment through Special Purpose Vehicles, or SAFE Circular 37, in July 2014 that requires PRC residents or entities to register with SAFE or its local branch in connection with their establishment or control of an offshore entity established for the purpose of overseas investment or financing. In addition, such PRC residents or entities must update their SAFE registrations when the offshore special purpose vehicle undergoes material events relating to any change of basic information (including change of such PRC citizens or residents, name and operation term), increases or decreases in investment amount, transfers or exchanges of shares, or mergers or divisions.

SAFE Circular 37 is issued to replace the Notice on Relevant Issues Concerning Foreign Exchange Administration for PRC Residents Engaging in Financing and Roundtrip Investments via Overseas Special Purpose Vehicles, or SAFE Circular 75.

If our shareholders who are PRC residents or entities do not complete their registration with the local SAFE branches, our PRC subsidiaries may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer or liquidation to us, and we may be restricted in our ability to contribute additional capital to our PRC subsidiaries. Moreover, failure to comply with the SAFE registration described above could result in liability under PRC laws for evasion of applicable foreign exchange restrictions.

We have requested all of our current shareholders and/or beneficial owners to disclose whether they or their shareholders or beneficial owners fall within the ambit of Circular 37 and have urged relevant shareholders and beneficial owners, upon learning they are PRC residents, to register with the local SAFE branch as required under Circular 37. However, we may not be informed of the identities of all the PRC residents or entities holding direct or indirect interest in our company, nor can we compel our beneficial owners to comply with SAFE registration requirements. As a result, we cannot assure you that all of our shareholders or beneficial owners who are PRC residents or entities have complied with, and will in the future make or obtain any applicable registrations or approvals required by, SAFE regulations. Failure by such shareholders or beneficial owners to comply with SAFE regulations, or failure by us to amend the foreign exchange registrations of our PRC subsidiaries, could subject us to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our PRC subsidiaries' ability to make distributions or pay dividends to us or affect our ownership structure, which could adversely affect our business and prospects.

We and/or our Hong Kong subsidiary may be classified as a “PRC resident enterprise” for PRC enterprise income tax purposes. Such classification would likely result in unfavorable tax consequences to us and our non-PRC shareholders and have a material adverse effect on our results of operations and the value of your investment.

The Enterprise Income Tax Law provides that an enterprise established outside China or established pursuant to foreign (regional) laws whose “de facto management body” is located in China is considered a “PRC resident enterprise” and will generally be subject to the uniform 25% enterprise income tax on its global income. Under the Implementation Rules of the Enterprise Income Tax Law, “de facto management body” is defined as the organizational body which substantially and comprehensively manages and controls the production and operation, personnel, accounting and properties of an enterprise.

Pursuant to the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies, issued by the State Administration of Taxation in 2009, a foreign enterprise controlled by PRC enterprises or PRC enterprise groups is considered a PRC resident enterprise if all of the following conditions are met: (i) the senior management and core management departments in charge of daily operations are located mainly within the PRC; (ii) financial and human resources decisions are subject to determination or approval by persons or bodies in the PRC; (iii) major assets, accounting books, company seals and minutes and files of board and shareholders' meetings are located or kept within the PRC; and (iv) at least half of the enterprise's directors with voting rights or senior management often reside within the PRC. Although the notice states that these standards only apply to offshore enterprises that are controlled by PRC enterprises or PRC enterprise groups, such standards may reflect the general view of the State Administration of Taxation in determining the tax residence of foreign enterprises.

We believe that neither our company nor our Hong Kong subsidiary is a PRC resident enterprise because neither our company nor our Hong Kong subsidiary meets all of the conditions enumerated. For example, board and shareholders' resolutions of our company and our Hong Kong subsidiary are adopted in Hong Kong and the minutes and related files are kept in Hong Kong. However, if the PRC tax authorities were to disagree with our position, our company and/or our Hong Kong subsidiary may be subject to PRC enterprise income tax reporting obligations and to a 25% enterprise income tax on our global taxable income, except for our income from dividends received from our PRC subsidiary, which may be exempt from PRC tax. If we and/or our Hong Kong subsidiary are treated as a PRC resident enterprise, the 25% enterprise income tax may adversely affect our ability to satisfy any of our cash needs.

In addition, if we were to be classified as a PRC “resident enterprise” for PRC enterprise income tax purpose, dividends we pay to our non-PRC enterprise shareholders and gains derived by our non-PRC enterprise shareholders from the sale of our shares and ADSs may be become subject to a 10% PRC withholding tax. In addition, future guidance may extend the withholding tax to dividends we pay to our non-PRC individual shareholders and gains derived by such shareholders from transferring our shares and ADSs. In addition to the uncertainty in how the “resident enterprise” classification could apply, it is also possible that the rules may change in the future, possibly with retroactive effect. If PRC income tax were imposed on gains realized through the transfer of our ADSs or ordinary shares or on dividends paid to our non-resident shareholders, the value of your investment in our ADSs or ordinary shares may be materially and adversely affected. See “Note 9. Income Taxes” in the accompanying notes to the consolidated financial statements included in this annual report on Form 20-F.

Any limitation on the ability of our PRC subsidiaries to make payments to us, or the tax implications of making payments to us, could have a material adverse effect on our ability to conduct our business or our financial condition.

We are a holding company, and we rely principally on dividends and other distributions from our PRC subsidiaries for our cash needs, including the funds necessary to pay dividends to our shareholders or service any debt we may incur. Current PRC regulations permit our PRC subsidiaries to pay dividends only out of its accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, our PRC subsidiaries are required to set aside at least 10% of its after-tax profits each year, if any, to fund certain statutory reserve funds until the aggregate amount of such reserve funds reaches 50% of its registered capital. Apart from these reserves, our PRC subsidiaries may allocate discretionary portion of their after-tax profits to staff welfare and bonus funds at their discretion. These reserves and funds are not distributable as cash dividends. Furthermore, if our PRC subsidiaries incur debt, the debt instruments may restrict its ability to pay dividends or make other payments to us. We cannot assure you that our PRC subsidiaries will generate sufficient earnings and cash flows in the near future to pay dividends or otherwise distribute sufficient funds to enable us to meet our obligations, pay interest and expenses or declare dividends.

Distributions made by PRC companies to their offshore parents are generally subject to a 10% withholding tax under the Enterprise Income Tax Law. Pursuant to the Enterprise Income Tax Law and the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income, the withholding tax rate on dividends paid by our PRC subsidiaries to our Hong Kong subsidiary would generally be reduced to 5%, provided that our Hong Kong subsidiary is the beneficial owner of the PRC sourced income. Further, the State Taxation Administration promulgated the Announcement of the Certain Issues with Respect to the “Beneficial Owner” in Tax Treaties in 2018, which sets forth certain detailed factors in determining “beneficial owner” status, and specifically, if an applicant’s business activities do not constitute substantive business activities, the applicant will not qualify as a “beneficial owner.” Although our PRC subsidiary is wholly owned by our Hong Kong subsidiary, we will not be able to enjoy the 5% withholding tax rate with respect to any dividends or distributions made by our PRC subsidiary to its parent company in Hong Kong if our Hong Kong subsidiary is not regarded as a “beneficial owner.”

If Weibo Corporation is regarded as a PRC non-resident enterprise and Weibo HK is regarded as a PRC resident enterprise, Weibo HK may be required to pay a 10% withholding tax on any dividends payable to Weibo Corporation and the dividends distributed from Weibo Technology to Weibo HK is not subject to dividend withholding tax. Furthermore, Weibo HK would be subject to PRC enterprise income tax at a rate of 25%. If Weibo Corporation and Weibo HK are each regarded as a PRC non-resident enterprise, Weibo Technology may be required to pay a 5% withholding tax for any dividends payable to Weibo HK.

Restrictions on the remittance of RMB into and out of China and governmental control of currency conversion may limit our ability to pay dividends and other obligations, and affect the value of your investment.

The PRC government imposes controls on the convertibility of the RMB into foreign currencies and the remittance of currency out of China. We receive substantially all of our revenues in RMB and the majority of our cash inflows and outflows are denominated in RMB. Under our current corporate structure, our cash needs are dependent on dividend payments from our subsidiaries in China after it receives payments from the VIEs under various services and other contractual arrangements. We may convert a portion of our RMB into other currencies to meet our foreign currency obligations, such as payments of dividends declared in respect of our ordinary shares, if any. Shortages in the availability of foreign currency may restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to pay dividends or other payments to us, or otherwise satisfy its foreign currency denominated obligations.

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 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. The PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future. 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, including holders of our Class A ordinary shares and/or ADSs.

Discontinuation of preferential tax treatment or imposition of any additional taxes could adversely affect our financial condition and results of operations.

The Enterprise Income Tax Law and its implementing rules have adopted a uniform statutory enterprise income tax rate of 25% to all enterprises in China. The Enterprise Income Tax Law and its implementing rules also permit qualified “software enterprises” to enjoy a two-year income tax exemption starting from the first profit making year, followed by a reduced tax rate of 12.5% for the subsequent three years. In addition, qualified “key software enterprises” can enjoy a reduced tax rate of 10%. Weibo Technology, our PRC subsidiary, was qualified as a “software enterprise” on December 19, 2011, the qualification of which was renewed each year.

Accordingly, Weibo Technology is eligible for the relevant preferential tax treatment upon filing with the relevant tax authorities. Its qualification as a “software enterprise” is subject to annual evaluation by the relevant authorities in China. Weibo Technology, a qualified software enterprise, enjoyed the relevant tax holiday from its first accumulative profitable year in 2015 and was subject to a reduced enterprise income tax rate of 12.5% from 2017 to 2019. Although Weibo Technology was qualified as a “software enterprise” in 2020, it will not enjoy a reduced tax rate as it has been five years since it first became profitable in 2015. Weibo Technology completed its filings as a “key software enterprise” with the tax authority in 2018, 2019 and 2020 for its status of 2017, 2018 and 2019, therefore is entitled to enjoy a further reduced preferential tax rate of 10% for 2017, 2018 and 2019. The qualification as a “key software enterprise” is subject to annual evaluation and approval by the relevant authorities in China and we will only recognize the preferential tax treatment of “key software enterprise” status when approval from the relevant authorities is obtained, usually one year in arrears. On March 29, 2021, the NDRC, together with several other authorities, jointly published the Circular on the Requirements for the Formulation of the List of Integrated Circuit Enterprises or Project and Software Enterprises Enjoying Tax Preferences, which provides higher requirements on “key software enterprise” than before. Weibo Technology was not able to maintain its “key software enterprise” qualification for the year of 2020 and thereafter due to the changes in the relevant policies, and does not qualify as a “key software enterprise” for the years of 2021 and 2022.

Furthermore, certain enterprises may still benefit from a preferential tax rate of 15% under the Enterprise Income Tax Law and its implementing rules if they qualify as a “High and New Technology Enterprise” subject to certain general factors described in the Enterprise Income Tax Law and the related regulations. Weibo Technology is qualified as a High and New Technology Enterprise and is entitled to a preferential tax rate of 15% for the fiscal years from 2017 to 2022. Its qualification as a “High and New Technology Enterprise” is subject to annual evaluation and a three-year review by the relevant authorities in China. If Weibo Technology fails to maintain its “High and New Technology Enterprise” qualification, its applicable corporate income tax rate would increase to 25%, which could have an adverse effect on our financial condition and results of operations.

Moreover, there are also news articles reporting that the PRC government may charge data tax in the future potentially by having tech giants that possess huge amount of personal data return portions of their revenues generated by transactions to owners of the data, which may in turn have an adverse effect on our business or financial conditions.

Failure to comply with PRC regulations regarding the registration requirements for stock ownership plans or stock option plans may subject PRC plan participants or us to fines and other legal or administrative sanctions.

In February 2012, SAFE promulgated the Notices on Issues concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company, or the Stock Option Rule, replacing the earlier rules promulgated in March 2007 and January 2008. Under the Stock Option Rule, PRC residents who participate in an employee stock ownership plan or stock option plan in an overseas publicly listed company are required to register with SAFE or its local branch and complete certain other procedures. Participants of a stock incentive plan who are PRC residents must retain a qualified PRC agent, which could be a PRC subsidiary of such overseas publicly listed company, to conduct the SAFE registration and other procedures with respect to the stock incentive plan on behalf of these participants. Such participants must also retain an overseas entrusted institution to handle matters in connection with their exercise or sale of stock options. In addition, the PRC agent is required to amend the SAFE registration with respect to the stock incentive plan if there is any material change to the stock incentive plan, the PRC agent or the overseas entrusted institution or other material changes.

We and our PRC resident employees who participate in our share incentive plans have been subject to these regulations since our company became publicly listed in the United States. If we or our PRC resident employees who participate in our share incentive plans fail to comply with these regulations in the future, we or our PRC resident employees who participate in our share incentive plans and their local employers may be subject to fines and legal sanctions. See “Item 4. Information on the Company—B. Business Overview—Regulation—Regulations on Employee Stock Options Plans.”

Fluctuation in the value of the RMB may have a material adverse effect on the value of your investment.

The conversion of Renminbi into foreign currencies, including U.S. dollars, is based on rates set by the People's Bank of China. The value of Renminbi against the U.S. dollar and other currencies is affected by changes in China's political and economic conditions and by China's foreign exchange policies, among other things. We cannot assure you that Renminbi will not appreciate or depreciate significantly in value against the U.S. dollar in the future. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between Renminbi and the U.S. dollar in the future.

Our revenues and costs are mostly denominated in RMB, and a significant portion of our financial assets are also denominated in RMB, whereas our reporting currency is the U.S. dollar. Any significant depreciation of the RMB may materially and adversely affect our revenues, earnings and financial position as reported in U.S. dollars. To the extent that we need to convert U.S. dollars we received from offerings or debt financing into RMB for our operations, appreciation of the RMB against the U.S. dollar would have an adverse effect on the RMB amount we would receive from the conversion. Conversely, if we decide to convert our RMB into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or ADSs or for other business purposes, appreciation of the U.S. dollar against the RMB would have a negative effect on the U.S. dollar amount available to us.

PRC laws and regulations establish more 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.

A number of PRC laws and regulations, including the M&A Rules, the Anti-Monopoly Law, and the Rules of Ministry of Commerce on Implementation of Security Review System of Mergers and Acquisitions of Domestic Enterprises by Foreign Investors promulgated by the Ministry of Commerce in August 2011, or the Security Review Rules, have established procedures and requirements that are expected to make merger and acquisition activities in China by foreign investors more time consuming and complex. These include requirements in some instances that the Ministry of Commerce be notified in advance of any change of control transaction in which a foreign investor takes control of a PRC domestic enterprise, or that the approval from the Ministry of Commerce be obtained in circumstances where overseas companies established or controlled by PRC enterprises or residents acquire affiliated domestic companies. PRC laws and regulations also require certain merger and acquisition transactions to be subject to merger control review or security review.

The Security Review Rules were formulated to implement the Notice of the General Office of the State Council on Establishing the Security Review System for Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, also known as Circular 6, which was promulgated in 2011. Under these rules, a security review is required for mergers and acquisitions by foreign investors having "national defense and security" concerns and mergers and acquisitions by which foreign investors may acquire the "de facto control" of domestic enterprises have "national security" concerns. In addition, when deciding whether a specific merger or acquisition of a domestic enterprise by foreign investors is subject to the security review, the Ministry of Commerce will look into the substance and actual impact of the transaction. The Security Review Rules further prohibits foreign investors from bypassing the security review requirement by structuring transactions through proxies, trusts, indirect investments, leases, loans, control through contractual arrangements or offshore transactions.

There is no requirement for foreign investors in those mergers and acquisitions transactions already completed prior to the promulgation of Circular 6 to submit such transactions to the Ministry of Commerce for security review. As we have already obtained the "de facto control" over our affiliated PRC entities prior to the effectiveness of these rules, we do not believe we are required to submit our existing contractual arrangements to the Ministry of Commerce for security review.

However, as there is a lack of clear statutory interpretation on the implementation of the same, there is no assurance that the Ministry of Commerce will not apply these national security review-related rules to the acquisition of equity interest in our PRC subsidiaries. If we are found to be in violation of the Security Review Rules and other PRC laws and regulations with respect to the merger and acquisition activities in China, or fail to obtain any of the required approvals, the relevant regulatory authorities would have broad discretion in dealing with such violation, including levying fines, confiscating our income, revoking our PRC subsidiaries' business or operating licenses, requiring us to restructure or unwind the relevant ownership structure or operations. Any of these actions could cause significant disruption to our business operations and may materially and adversely affect our business, financial condition and results of operations. Further, if the business of any target company that we plan to acquire falls into the ambit of security review, we may not be able to successfully acquire such company either by equity or asset acquisition, capital contribution or through any contractual arrangement. We may grow our business in part by acquiring other companies operating in our industry. Complying with the requirements of the relevant regulations to complete such transactions could be time consuming, and any required approval processes, including approval from the Ministry of Commerce, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

The heightened scrutiny over acquisition transactions by the PRC tax authorities may have a negative impact on our business operations, our acquisition or restructuring strategy or the value of your investment in us.

The State Administration of Taxation has issued several rules and notices to tighten the scrutiny over acquisition transactions in recent years, including the Notice on Certain Corporate Income Tax Matters Related to Indirect Transfer of Properties by Non-PRC Resident Enterprises issued in February 2015, or SAT Circular 7. Pursuant to these rules and notices, except for a few circumstances falling into the scope of the safe harbor provided by SAT Circular 7, such as open market trading of stocks in public companies listed overseas, if a non-PRC resident enterprise indirectly transfers PRC taxable properties (i.e. properties of an establishment or a place in the PRC, real estate properties in the PRC or equity investments in a PRC tax resident enterprise) by disposing of equity interest or other similar rights in an overseas holding company, without a reasonable commercial purpose and resulting in the avoidance of PRC enterprise income tax, such indirect transfer should be deemed as a direct transfer of PRC taxable properties and gains derived from such indirect transfer may be subject to the PRC withholding tax at a rate of up to 10%. SAT Circular 7 sets out several factors to be taken into consideration by tax authorities in determining whether an indirect transfer has a reasonable commercial purpose, such as whether the main value of equity interest in an overseas holding company is derived directly or indirectly from PRC taxable properties. An indirect transfer satisfying all the following criteria will be deemed to lack reasonable commercial purpose and be taxable under PRC law without considering other factors set out by SAT Circular 7: (i) 75% or more of the equity value of the intermediary enterprise being transferred is derived directly or indirectly from the PRC taxable properties; (ii) at any time during the one-year period before the indirect transfer, 90% or more of the asset value of the intermediary enterprise (excluding cash) is comprised directly or indirectly of investments in the PRC, or 90% or more of its income is derived directly or indirectly from the PRC; (iii) the functions performed and risks assumed by the intermediary enterprise and any of its subsidiaries that directly or indirectly hold the PRC taxable properties are limited and are insufficient to prove their economic substance; and (iv) the foreign tax payable on the gain derived from the indirect transfer of the PRC taxable properties is lower than the potential PRC income tax on the direct transfer of such assets. SAT Circular 7 also introduces an interest regime by providing that where a transferor fails to file and pay tax on time, and where a withholding agent fails to withhold the tax, interest will be charged on a daily basis. Both the foreign transferor and the transferee, and the PRC tax resident enterprise whose equity interests are being transferred may voluntarily report the transfer by submitting the documents required in SAT Circular 7.

Although SAT Circular 7 provides clarity in many important areas, such as reasonable commercial purpose, there are still uncertainties on the tax reporting and payment obligations with respect to future private equity financing transactions, share exchange or other transactions involving the transfer of shares in non-PRC resident companies. Our company and other non-resident enterprises in our group may be subject to filing obligations or being taxed if our company and other non-resident enterprises in our group are transferors in such transactions, and may be subject to withholding obligations if our company and other non-resident enterprises in our group are transferees in such transactions. For the transfer of shares in our company by investors who are non-PRC resident enterprises, our PRC subsidiaries may be requested to assist in the filing under the rules and notices. As a result, we may be required to expend valuable resources to comply with these rules and notices or to request the relevant transferors from whom we purchase taxable assets to comply, or to establish that our company and other non-resident enterprises in our group should not be taxed under these rules and notices, which may have a material adverse effect on our financial condition and results of operations.

We cannot assure you that the PRC tax authorities will not, at their discretion, adjust any capital gains and impose tax return filing obligations on us or require us to provide assistance for the investigation of PRC tax authorities with respect thereto. In the future, we may conduct acquisitions or disposals of properties that may involve complex corporate structures. If the PRC tax authorities make adjustments to the taxable income of these transactions under SAT Circular 7, our income tax expenses associated with such potential transactions may be increased, which may have a material adverse effect on our financial condition and results of operations.

We face certain risks relating to the real properties that we lease.

We lease office space for our operations in China. Any defects in lessors' title to the leased properties may disrupt our use of our offices, which may in turn adversely affect our business operations. For example, certain buildings and the underlying land are not allowed to be used for industrial or commercial purposes without relevant authorities' approval, and the lease of such buildings to companies like us may subject the lessor to pay premium fees to the PRC government. We cannot assure you that the lessor has obtained all or any of approvals from the relevant governmental authorities. In addition, some of our lessors have not provided us with documentation evidencing their title to the relevant leased properties. We cannot assure you that title to these properties we currently lease will not be challenged. In addition, we have not registered most of our lease agreements with relevant PRC governmental authorities as required by PRC law, and although failure to do so does not in itself invalidate the leases, we may not be able to defend these leases against bona fide third parties.

As of the date of this annual report, we are not aware of any actions, claims or investigations being contemplated by government authorities with respect to the defects in our leased real properties or any challenges by third parties to our use of these properties. However, if third parties who purport to be property owners or beneficiaries of the mortgaged properties challenge our right to use the leased properties, we may not be able to protect our leasehold interest and may be ordered to vacate the affected premises, which could in turn materially and adversely affect our business and operating results.

Failure to comply with PRC labor laws and make adequate contributions to various employee benefit plans as required by PRC regulations may subject us to penalties.

Companies operating in China are required to register with governmental authorities and participate in various government sponsored employee benefit plans, including certain social insurance and housing funds, and contribute to these plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of employees up to a maximum amount specified by the local government authorities from time to time at the locations where those employees are based. However, requirements relating to employee benefit plans have not been implemented consistently by local governments in China, given the different levels of economic development in different regions. We believe that we have made adequate social insurance and housing fund contributions for the majority of our employees, however, we cannot assure you that local governments will not have different views as to what constitutes strict compliance with the requirements for contributions to employee benefit plans. Our social insurance and housing fund contributions for a small number of our employees with performance-based salaries may not be adequate, as we could not foresee these employees' performance and therefore their salaries accurately. We may be required to make up the contributions for these employee benefit plans as well as to pay late fees and fines.

Our significant deposits in certain banks in China may be at risk if these banks go bankrupt or otherwise do not have the liquidity to pay us during our deposit period.

As of December 31, 2022, we had US\$2.5 billion in cash and cash equivalent, and short-term investments, such as bank time deposits, with large domestic banks in China. Our remaining cash, cash equivalents and short-term investments were held by financial institutions in the United States and Hong Kong. The terms of these deposits are, in general, up to twelve months. Historically, deposits in Chinese banks were viewed as secure due to the state policy on protecting depositors' interests. However, the Bankruptcy Law that came into effect in 2007 contains an article expressly stating that the State Council may promulgate implementation measures for the bankruptcy of Chinese banks based on the Bankruptcy Law, so the law contemplates the possibility that a Chinese bank may go bankrupt. In addition, foreign banks have been gradually permitted to operate in China since China's accession to the World Trade Organization and have become strong competitors of Chinese banks in many respects, which may have increased the risk of bankruptcy or illiquidity for Chinese banks, including those in which we have deposits. In the event of bankruptcy or illiquidity of any one of the banks which holds our deposits, we are unlikely to claim our deposits back in full since we are unlikely to be classified as a secured creditor based on PRC laws.

On May 1, 2015, China's new Deposit Insurance Regulation came into effect, pursuant to which banking financial institutions, such as commercial banks, established in China will be required to purchase deposit insurance for deposits in RMB and in foreign currency. Under this regulation, depositors will be fully indemnified for their deposits and interests in an aggregate amount up to a limit of RMB500,000. Deposits or interests over such limit will only be covered by the bank's liquidation assets. Therefore, although this requirement to purchase deposit insurance may help, to a certain extent, prevent Chinese banks from going bankrupt, it would not be effective in providing effective protection for our accounts, as our aggregate deposits are much higher than the compensation limit.

The PRC government's significant oversight and discretion over our business operation could result in a material adverse change in our operations and the value of our Class A ordinary shares and ADS.

We conduct our business primarily through our PRC subsidiaries, the VIEs and their subsidiaries in China. Our operations in China are governed by PRC laws and regulations. The PRC government has significant oversight and discretion over the conduct of our business, and it may influence our operations, which could result in a material adverse change in our operation and the value of our Class A ordinary shares and ADSs. Also, the PRC government has recently indicated an intent to exert more oversight and control over offerings that are conducted overseas and foreign investment in China-based issuers. Any such action could significantly limit or completely hinder our ability to offer or continue to offer securities to investors. In addition, implementation of industry-wide regulations directly targeting our operations could cause the value of our securities to significantly decline. Therefore, investors of our company and our business face potential uncertainty from actions taken by the PRC government affecting our business.

The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors with the benefits of such inspections.

Our auditor, the independent registered public accounting firm that issues the audit report included elsewhere in this annual report, as an auditor of companies that are traded publicly in the United States and a firm registered with the PCAOB, is subject to laws in the United States pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. Our auditor is located in mainland China, a jurisdiction where the PCAOB was historically unable to conduct inspections and investigations completely before 2022. As a result, we and investors in the ADSs were deprived of the benefits of such PCAOB inspections. The inability of the PCAOB to conduct inspections of auditors in China in the past has made it more difficult to evaluate the effectiveness of our independent registered public accounting firm's audit procedures or quality control procedures as compared to auditors outside of China that are subject to the PCAOB inspections. On December 15, 2022, the PCAOB issued a report that vacated its December 16, 2021 determination and removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. However, if the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong, and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the Securities and Exchange Commission, we and investors in our ADSs would be deprived of the benefits of such PCAOB inspections again, which could cause investors and potential investors in the ADSs to lose confidence in our audit procedures and reported financial information and the quality of our financial statements.

Our ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.

Pursuant to the HFCAA, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspections by the PCAOB for two consecutive years, the SEC will prohibit our shares or ADSs from being traded on a national securities exchange or in the over-the-counter trading market in the United States.

On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong and our auditor was subject to that determination. In March 2022, the SEC conclusively listed us as a Commission-Identified Issuer under the HFCAA following the filing of our annual report on Form 20-F for the fiscal year ended December 31, 2021. On December 15, 2022, the PCAOB removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. For this reason, we do not expect to be identified as a Commission-Identified Issuer under the HFCAA after we file this annual report on Form 20-F for the fiscal year ended December 31, 2022.

Each year, the PCAOB will determine whether it can inspect and investigate completely audit firms in mainland China and Hong Kong, among other jurisdictions. If the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the SEC, we would be identified as a Commission-Identified Issuer following the filing of the annual report on Form 20-F for the relevant fiscal year. In accordance with the HFCAA, our securities would be prohibited from being traded on a national securities exchange or in the over-the-counter trading market in the United States if we are identified as a Commission-Identified Issuer for two consecutive years in the future. Although our Class A ordinary shares have been listed on the Hong Kong Stock Exchange and the ADSs and Class A ordinary shares are fully fungible, we cannot assure you that an active trading market for our Class A ordinary shares on the Hong Kong Stock Exchange will be sustained or that the ADSs can be converted and traded with sufficient market recognition and liquidity, if our shares and ADSs are prohibited from trading in the United States. A prohibition of being able to trade in the United States would substantially impair your ability to sell or purchase our ADSs when you wish to do so, and the risk and uncertainty associated with delisting would have a negative impact on the price of our ADSs. Also, such a prohibition would significantly affect our ability to raise capital on terms acceptable to us, or at all, which would have a material adverse impact on our business, financial condition, and prospects.

It may be difficult for overseas regulators to conduct investigation or collect evidence within China.

Shareholder claims or regulatory investigation that are common in the United States generally are difficult to pursue as a matter of law or practicality in China. For example, in China, there are significant legal and other obstacles to providing information needed for regulatory investigations or litigation initiated outside China. Although the authorities in China may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, such cooperation with the securities regulatory authorities in the United States may not be efficient in the absence of mutual and practical cooperation mechanism. Furthermore, according to Article 177 of the PRC Securities Law, or Article 177, which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigation or evidence collection activities within the territory of the PRC. While detailed interpretation of or implementation rules under Article 177 have yet to be promulgated, the inability for an overseas securities regulator to directly conduct investigation or evidence collection activities within China may further increase difficulties faced by you in protecting your interests.

Risks Relating to Our ADSs and Class A Ordinary Shares

We adopt different practices as to certain matters as compared with many other companies listed on the Hong Kong Stock Exchange.

We completed our global offering in Hong Kong in December 2021 and the trading of our Class A ordinary shares on the Hong Kong Stock Exchange commenced on December 8, 2021 under the stock code “9898.” As a company listed on the Hong Kong Stock Exchange pursuant to Chapter 19C of the Hong Kong Listing Rules, we are subject to certain provisions of the Hong Kong Listing Rules pursuant to Rule 19C.11, including, among others, rules on notifiable transactions, connected transactions, share option schemes, content of financial statements as well as certain other continuing obligations. In addition, in connection with the Listing, we have applied for a number of waivers and/or exemptions from strict compliance with the Hong Kong Listing Rules, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Takeovers Codes and the SFO. As a result, we will adopt different practices as to those matters as compared with other companies listed on the Hong Kong Stock Exchange that do not enjoy those exemptions or waivers.

Furthermore, if 55% or more of the total worldwide trading volume, by dollar value, of our Class A ordinary shares and ADSs over our most recent fiscal year takes place on the Hong Kong Stock Exchange, the Hong Kong Stock Exchange will regard us as having a dual primary listing in Hong Kong and we will no longer enjoy certain exemptions or waivers from strict compliance with the requirements under the Hong Kong Listing Rules, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Takeovers Codes and the SFO, which could result in us having to amend our corporate structure and our memorandum and articles of association and we may incur of incremental compliance costs.

The trading prices for our listed securities have been and are likely to continue be, volatile, regardless of our operating performance, which could result in substantial losses to our investors.

The trading prices of our listed securities have been and are likely to continue to be volatile and could fluctuate widely in response to a variety of factors, many of which are beyond our control. For example, in 2022, the trading price of our ADSs ranged from US\$10.02 to US\$36.51 per ADS and the trading price of our Class A ordinary shares has ranged from HK\$81.30 to HK\$275.00 per share. The trading prices of our listed securities are likely to remain volatile and could fluctuate widely due to factors beyond our control. This may happen because of broad market and industry factors, like the performance and fluctuation of the trading prices of other companies with business operations located mainly in China that have listed their securities in Hong Kong and/or the United States. A number of Chinese companies have listed or are in the process of listing their securities on stock markets in Hong Kong and/or the United States. The securities of some of these companies have experienced significant volatility, including price declines in connection with their public offerings. The trading performances of these Chinese companies' securities after their offerings may affect the attitudes of investors toward Chinese companies listed in Hong Kong and/or the United States in general and consequently may impact the trading performance of our Class A ordinary shares and/or ADSs, regardless of our actual operating performance.

In addition to market and industry factors, the price and trading volume for our Class A ordinary shares and/or ADSs may be highly volatile for factors specific to our own operations, including (but not limited to) the following:

- variations in our revenues, earnings, cash flow and data related to our active user base or user engagement;
- announcements of new investments, acquisitions, strategic partnerships or joint ventures;
- announcements of new services and expansions by us or our competitors;
- changes in financial estimates by securities analysts;
- detrimental adverse publicity about us or SINA;
- additions or departures of key personnel;
- our share repurchase programs;
- release of lock-up or other transfer restrictions on our outstanding equity securities or sales of additional equity securities; and
- potential litigation or regulatory investigations.

Substantial future sales or perceived potential sales of our Class A ordinary shares, ADSs, or other equity or equity-linked securities in the public market could cause the price of our Class A ordinary shares and/or ADSs to decline significantly.

Sales of our Class A ordinary shares, ADSs, or other equity or equity-linked securities in the public market, or the perception that these sales could occur, could cause the trading price of our Class A ordinary shares and/or ADSs to decline significantly. All of our Class A ordinary shares represented by ADSs were freely transferable by persons other than our affiliates without restriction or additional registration under the U.S. Securities Act. The Class A ordinary shares held by our affiliates are also available for sale, subject to volume and other restrictions as applicable under Rule 144 of the U.S. Securities Act any applicable lock-up agreement, under trading plans adopted pursuant to Rule 10b5-1 or otherwise. SINA has pledged all of its shares in our company to secure its obligation under the SINA Facility Agreement, for detailed risks underlying this arrangement, please see "Risk Factors—Risks Relating to Our Carve-out from SINA and Our Relationship with SINA—SINA has pledged all of its shares in our company to secure a syndicate loan arranged by, among others, Goldman Sachs, and if SINA defaults on the underlying loan, we could experience a change in control." If SINA defaults on its obligation under the SINA Facility Agreement, the Security Agent may dispose of or cause SINA to dispose of the pledged shares. We cannot predict what effect, if any, market sales of securities held by our controlling shareholders or any other shareholder or the availability of these securities for future sale will have on the trading price of our Shares and ADSs.

Divestiture in the future of our Class A ordinary shares and/or ADSs by shareholders, the announcement of any plan to divest our Class A ordinary shares and/or ADS, or hedging activity by third-party financial institutions in connection with similar derivative or other financing arrangements entered into by shareholders, could cause the price of our Class A ordinary shares and/or ADSs to decline.

If securities or industry analysts do not publish research or reports about our business, or if they adversely change their recommendations regarding our Class A ordinary shares and/or ADSs, the trading price for our Class A ordinary shares and/or ADSs and trading volume could decline.

The trading market for our Class A ordinary shares and/or ADSs will be influenced by research or reports that industry or securities analysts publish about our business. If one or more analysts who cover us downgrade our Class A ordinary shares and/or ADSs, the trading price for our Class A ordinary shares and/or ADSs would likely decline. If one or more of these analysts cease to cover us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the trading price or trading volume for our Class A ordinary shares and/or ADSs to decline.

The sale or availability for sale, or perceived sale or availability for sale, of substantial amounts of our ADSs could adversely affect their trading price.

Sales of substantial amounts of our Class A ordinary shares and/or ADSs in the public market, or the perception that these sales could occur, could adversely affect the trading price of our Class A ordinary shares and/or ADSs and could materially impair our ability to raise capital through equity offerings in the future. We cannot predict what effect, if any, market sales of securities held by our significant shareholders or any other shareholder or the availability of these securities for future sale will have on the trading price of our Class A ordinary shares and/or ADSs.

Our dual-class voting structure will limit your ability to influence corporate matters and could discourage others from pursuing any change of control transactions that holders of our Class A ordinary shares and ADSs may view as beneficial.

Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Holders of Class A ordinary shares are entitled to one vote per share, while holders of Class B ordinary shares are entitled to three votes per share. All of the outstanding ordinary shares held by SINA as of the date of this annual report are Class B ordinary shares. All other ordinary shares that are outstanding as of the date of this annual report are Class A ordinary shares. We intend to maintain the dual-class voting structure in the future. Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof. Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Upon (a) any sale, transfer, assignment or disposition of Class B ordinary shares by a holder thereof to any person or entity which is not the Founder (as defined under our memorandum and articles of association) or a Founder's Affiliate (as defined under our memorandum and articles of association); or (b) a change of control of any direct or indirect holder of any Class B ordinary shares, including, but not limited to, any person other than the Founder or a Founder's affiliate gaining "Control" over any of the "SINA Parent Companies" (e.g. by entering into an agreement with the Founder to jointly control the SINA Parent Companies), and even if the Founder or a Founder's Affiliate remains to have joint "Control" of the SINA Parent Companies, each Class B ordinary share shall automatically and immediately be converted (by way of being re-designated) into one Class A ordinary share. In addition, each Class B ordinary share shall automatically and immediately be converted (by way of being re-designated) into one Class A ordinary share if at any time SINA and its Affiliates (as defined in our memorandum and articles of association) in the aggregate hold less than five percent (5)% of the issued Class B ordinary shares in our company, and no Class B ordinary shares shall be issued by our company thereafter.

"Control" shall mean having (A) the power to control the management or elect a majority of members to the board of directors or equivalent decision-making body of, or (B) the power to exercise or control the exercise of 50% or more of the voting power (through power of attorney, voting proxies, shareholders' agreements or otherwise) at the general meetings or other equivalent decision-making body of, such corporation, partnership or other entity. "SINA Parent Companies" shall mean the holding companies of Weibo Corporation, including New Wave MMXV Limited, Sina Group Holding Company Limited, SINA Corporation and any other intermediate holding company(ies) of Sina Corporation that may be established in the future.

Due to the disparate voting powers attached to these two classes of ordinary shares, SINA owned approximately 37.3% of our total issued and outstanding ordinary shares and 64.1% of the voting power of our outstanding shares as of March 31, 2023. Therefore, SINA will have decisive influence over matters requiring shareholders' approval, including election of directors and significant corporate transactions, such as a merger or sale of our company. This concentrated control will limit your ability to influence corporate matters and could discourage others from pursuing any potential merger, takeover or other change of control transactions that holders of Class A ordinary shares and ADSs may view as beneficial.

We cannot guarantee that any share repurchase program will be fully consummated or that any share repurchase program will enhance long-term shareholder value, and share repurchases could increase the volatility of the trading price of our ADSs and/or Class A ordinary shares and could diminish our cash reserves.

In March 2022, our board of directors authorized a share repurchase program under which we may repurchase up to US\$500 million of our ADSs over the next 12 months, effective until March 31, 2023. As of March 31, 2023, this share repurchase program was not fully consummated.

Our board of directors also has the discretion to authorize additional share repurchase programs in the future. The share repurchase programs do not obligate us to repurchase any specific dollar amount or any specific number of ADSs. We cannot guarantee that any share repurchase program will enhance long-term shareholder value. Our share repurchase programs could affect and increase the volatility of the trading price of our listed securities. Our share repurchase programs may be suspended or terminated at any time, which may result in a decrease in the trading price of our Class A ordinary shares and/or ADSs. Furthermore, share repurchases may further diminish our cash reserves.

Techniques employed by short sellers may drive down the trading price of our Class A ordinary shares and/or ADSs.

Short selling is the practice of selling securities that the seller does not own but rather has borrowed from a third-party with the intention of buying identical securities back at a later date to return to the lender. The short seller hopes to profit from a decline in the value of the securities between the sale of the borrowed securities and the purchase of the replacement shares, as the short seller expects to pay less in that purchase than it received in the sale. As it is in the short seller's interest for the price of the security to decline, many short sellers publish, or arrange for the publication of, negative opinions regarding the relevant issuer and its business prospects in order to create negative market momentum and generate profits for themselves after selling a security short. These short attacks have, in the past, led to selling of shares in the market.

Public companies listed in the United States that have substantially all of their operations in China have been the subject of short selling. Much of the scrutiny and negative publicity has centered on allegations of a lack of effective internal control over financial reporting resulting in financial and accounting irregularities and mistakes, inadequate corporate governance policies or a lack of adherence thereto and, in many cases, allegations of fraud. As a result, many of these companies are now conducting internal and external investigations into the allegations and, in the interim, are subject to shareholder lawsuits and/or SEC enforcement actions.

It is not clear what effect such negative publicity could have on us. If we were to become the subject of any unfavorable allegations, whether such allegations are proven to be true or untrue, we could have to expend a significant amount of resources to investigate such allegations and/or defend ourselves. While we would strongly defend against any such short seller attacks, we may be constrained in the manner in which we can proceed against the relevant short seller by principles of freedom of speech, applicable state law or issues of commercial confidentiality. Such a situation could be costly and time-consuming and could distract our management from growing our business. Even if such allegations are ultimately proven to be groundless, allegations against us could severely impact our business operations and stockholder's equity, and any investment in our Class A ordinary shares and/or ADSs could be greatly reduced or rendered worthless.

Because we do not expect to pay dividends in the foreseeable future, you must rely on price appreciation of our Class A ordinary shares and/or ADSs for return on your investment.

We currently intend to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. As a result, we do not expect to pay any cash dividends in the foreseeable future. Therefore, you should not rely on an investment in our Class A ordinary shares and/or ADSs as a source for any future dividend income.

Our board of directors has complete discretion as to whether to distribute dividends, subject to Cayman Islands law. In addition, our shareholders may by ordinary resolution declare dividends, but no dividend may exceed the amount recommended by our directors. Under Cayman Islands law, our company may pay dividends only out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiary, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your investment in our Class A ordinary shares and/or ADSs will likely depend entirely upon any future price appreciation of our listed securities. There is no guarantee that our listed securities will appreciate in value in the future or even maintain the price at which you purchased them. You may not realize a return on your investment in our Class A ordinary shares and/or ADSs and you may even lose your entire investment in our securities.

You may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our Class A ordinary shares and/or ADSs.

Under the Enterprise Income Tax Law and its implementation rules, subject to any applicable tax treaty or similar arrangement between the PRC and the jurisdiction of residence of the holders of our Class A ordinary share and/or ADSs that provides for a different income tax arrangement, PRC withholding tax at the rate of 10% is normally applicable to dividends from PRC sources payable to investors that are non-PRC resident enterprises, which do not have an establishment or place of business in the PRC, or which have such establishment or place of business if the relevant income is not effectively connected with the establishment or place of business. Any gain realized on the transfer of ADSs or shares by such non-PRC resident enterprise investors is also subject to 10% PRC income tax if such gain is regarded as income derived from sources within the PRC, unless a tax treaty or similar arrangement otherwise provides. Under the PRC Individual Income Tax Law and its implementation rules, dividends from sources within the PRC paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by such investors on the transfer of American depositary shares or shares are generally subject to 20% PRC income tax, in each case, subject to any reduction or exemption set forth in applicable tax treaties and similar arrangements and PRC laws. Although substantially all of our business operations are in China, it is unclear whether dividends we pay with respect to our Class A ordinary shares and/or ADSs, or the gain realized from the transfer of our Class A ordinary shares and/or ADSs, would be treated as income derived from sources within the PRC and as a result be subject to PRC income tax if we were considered a PRC resident enterprise, as described above. If PRC income tax were imposed on gains realized through the transfer of our ADSs or on dividends paid to our non-PRC resident investors, the value of your investment in our Class A ordinary shares and/or ADSs may be materially and adversely affected. Furthermore, the holders of our Class A ordinary shares and/or ADSs whose jurisdictions of residence have tax treaties or similar arrangements with China may not qualify for benefits under such tax treaties or arrangements.

It is likely that we will be classified as a passive foreign investment company, or PFIC, for U.S. federal income tax purposes for the taxable year ended December 31, 2022, and possibly for the current taxable year and future taxable years, which could result in adverse U.S. federal income tax consequences to U.S. Holders of our ADSs or Class A ordinary shares.

Depending upon the value of our assets, which is determined based, in part, on the market value of our ADSs and Class A ordinary shares, and the nature of our assets and income over time, we could be classified as a passive foreign investment company (a “PFIC”) for U.S. federal income tax purposes. We will be classified as a PFIC for any taxable year if either (i) 75% or more of our gross income for the taxable year is passive income or (ii) 50% or more of the value of our assets (determined on the basis of a quarterly average) is attributable to assets that produce or are held for the production of passive income. Based on our current and expected income and assets, including unbooked goodwill (the value of which is determined by reference to the market value of our ADSs and Class A ordinary shares), it is likely that we were a PFIC for the taxable year ended December 31, 2022, and could continue to be a PFIC for the current and subsequent taxable years. In addition, it is possible that any subsidiary that we own or are treated as owning for U.S. federal income tax purposes would also be a PFIC for such taxable years.

If we are a PFIC in any taxable year during which a U.S. Holder (as defined in “Item 10. Additional Information—E. Taxation—U.S. Federal Income Tax Considerations”) holds our ADSs or Class A ordinary shares, such holder may incur significantly increased U.S. federal income tax on gain recognized on the sale or other disposition of its ADSs or Class A ordinary shares and on the receipt of distributions on its ADSs or Class A ordinary shares and such holder may be subject to burdensome reporting requirements. Further, if we are a PFIC for any year during which a U.S. Holder holds our ADSs or Class A ordinary shares, we will generally continue to be treated as a PFIC with respect to such holder for all succeeding years during which such holder holds our ADSs or Class A ordinary shares, even if we subsequently cease to be a PFIC for U.S. federal income tax purposes. See “Item 10. Additional Information—E. Taxation—U.S. Federal Income Tax Considerations—Passive Foreign Investment Company Considerations.”

Our memorandum and articles of association contain anti-takeover provisions that could have a material adverse effect on the rights of holders of our ordinary shares and ADSs.

Our memorandum and articles of association contain provisions to limit the ability of others to acquire control of our company or cause us to engage in change-of-control transactions. These provisions could have the effect of depriving our shareholders of an opportunity to sell their shares at a premium over prevailing trading prices by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transaction. For example, our board of directors has the authority, without further action by our shareholders, to issue preferred shares in one or more series and to fix their designations, powers, preferences, privileges, and relative participating, optional or special rights and the qualifications, limitations or restrictions, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights associated with our ordinary shares, in the form of ADS or otherwise. Preferred shares could be issued quickly with terms calculated to delay or prevent a change in control of our company or make removal of management more difficult. If our board of directors decides to issue preferred shares, the price of our Class A ordinary shares and/or ADSs may fall and the voting and other rights of the holders of our ordinary shares and ADSs may be materially and adversely affected.

You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. or Hong Kong courts may be limited, because we are incorporated under Cayman Islands law.

We are an exempted company incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our memorandum and articles of association, the Companies Act (As Revised) of the Cayman Islands and the common law of the Cayman Islands. The rights of our shareholders to take action against our directors, actions by our minority shareholders and the fiduciary duties of our directors to our company under Cayman Islands law are to a large extent governed by the common law of the Cayman Islands. The common law of the Cayman Islands is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from the common law of England, the decisions of whose courts are of persuasive authority, but are not binding, on a court in the Cayman Islands. The rights of our shareholders and the fiduciary duties of our directors under Cayman Islands law are not as clearly established as they would be under statutes or judicial precedent in some jurisdictions in the United States or Hong Kong. In particular, the Cayman Islands has a less developed body of securities laws than the United States. Some U.S. states, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands. In addition, Cayman Islands companies may not have standing to initiate a shareholder derivative action in a federal court of the United States or a court in Hong Kong.

The Cayman Islands courts are also unlikely:

- to recognize or enforce against us judgments of courts of the United States based on certain civil liability provisions of U.S. securities laws; and
- to impose liabilities against us, in original actions brought in the Cayman Islands, based on certain civil liability provisions of U.S. securities laws that are penal in nature.

In those circumstances, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the U.S., the courts of the Cayman Islands will recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For such a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty, inconsistent with a Cayman Islands judgment in respect of the same matter, impeachable on the grounds of fraud or obtained in a manner, and or be of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

Certain corporate governance practices in the Cayman Islands, which is our home country, differ significantly from requirements for companies incorporated in other jurisdictions such as the United States and Hong Kong. To the extent we choose to follow home country practice with respect to corporate governance matters, our shareholders may be afforded less protection than they otherwise would under rules and regulations applicable to U.S. domestic issuers or companies incorporated in Hong Kong.

As a result of all of the above, our public shareholders may have more difficulty in protecting their interests in the face of actions taken by our management, members of our board of directors or our controlling shareholders than they would as public shareholders of a company incorporated in the United States.

Certain judgments obtained against us by our shareholders may not be enforceable.

We are a Cayman Islands exempted company and substantially all of our assets are located outside of the United States. Substantially all of our current operations are conducted in China. In addition, a majority of our current directors and executive officers reside outside the United States or Hong Kong, whose assets are substantially located outside the United States. As a result, it may be difficult or impossible for our shareholders to bring an action against us or against these individuals in the United States or Hong Kong in the event that such shareholders believe that their rights have been infringed under the U.S. federal securities laws, Hong Kong laws, or otherwise. Even if such shareholders are successful in bringing an action of this kind, the laws of the Cayman Islands and of China may render such shareholders unable to enforce a judgment against our assets or the assets of our directors and officers.

On July 14, 2006, the Supreme People’s Court of China and the Government of the Hong Kong Special Administrative Region signed an Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters, or the 2006 Arrangement. Under the 2006 Arrangement, where any designated mainland China court or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil or commercial case pursuant to a “choice of court” agreement in writing, any party concerned may apply to the relevant mainland China court or Hong Kong court for recognition and enforcement of the judgment. On January 18, 2019, the Supreme Court of the People’s Republic of China and the Department of Justice under the Government of the Hong Kong Special Administrative Region signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region, or the 2019 Arrangement. The 2019 Arrangement seeks to establish a mechanism for judgment recognition and enforcement with greater clarity and certainty in a wider range of civil and commercial matters between the mainland China and Hong Kong Special Administrative Region. Under the 2019 Arrangement, a “choice of court” agreement in writing is no longer required for bilateral judgement recognition and enforcement. The 2019 Arrangement will come into effect after the promulgation of a judicial interpretation by the Supreme People’s Court and the completion of the relevant legislative procedures in the Hong Kong Special Administrative Region. On October 26, 2022, the Hong Kong Legislative Council passed the Mainland Judgments in Civil and Commercial Matters (Reciprocal Enforcement) Ordinance to implement the 2019 Arrangement, which may come into effect in the middle of 2023 once all the necessary mechanisms in both jurisdictions are established, as indicated by Hong Kong government. Upon the effectiveness of the Ordinance and the 2019 Arrangement, the 2019 Arrangement will supersede the 2006 Arrangement and through a simple and streamlined registration procedure, the Ordinance and the 2019 Arrangement will allow a broader range of civil and commercial judgments of the mainland China courts to be enforced in Hong Kong. However, before the effectiveness of the Ordinance and the 2019 Arrangement, it may still be difficult or impossible to enforce a judgment rendered by a Hong Kong court in mainland China and vice versa, if the parties in dispute do not have a “choice of court” agreement in writing.

We are a foreign private issuer within the meaning of the rules under the Exchange Act, and as such we are exempt from certain provisions applicable to United States domestic public companies.

Because we are a foreign private issuer under the Exchange Act, we are exempt from certain provisions of the securities rules and regulations in the United States that are applicable to U.S. domestic issuers, including:

- the rules under the Exchange Act requiring the filing of quarterly reports on Form 10-Q or current reports on Form 8-K with the SEC;
- the sections of the Exchange Act regulating the solicitation of proxies, consents, or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time;
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD; and
- certain audit committee independence requirements in Rule 10A-3 of the Exchange Act.

We are required to file an annual report on Form 20-F within four months of the end of each fiscal year. In addition, we intend to publish our results on a quarterly basis through press releases, distributed pursuant to the rules and regulations of Nasdaq. Press releases relating to financial results and material events will also be furnished to the SEC on Form 6-K. However, the information we are required to file with or furnish to the SEC will be less extensive and less timely compared to that required to be filed with the SEC by U.S. domestic issuers.

In addition, we are permitted by Nasdaq Stock Market Rules to elect to rely, and have elected to rely, on certain exemptions from corporate governance requirements:

- that the board of directors be comprised of a majority of independent directors under Nasdaq Rule 5605(b)(1);
- the requirement that an audit committee be comprised of at least three members under Nasdaq Rule 5605(c)(2)(A); and
- the requirements that shareholder approval be required prior to the issuance of securities when a stock option or purchase plan is to be established or materially amended or other equity compensation arrangement made or materially amended, pursuant to which stock may be acquired by officers, directors, employees, or consultants under Nasdaq Rule 5635(c).

As a result, you may not be afforded the same protections or information, which would be made available to you, were you investing in a U.S. domestic issuer.

Holders of our ADSs may have fewer rights than holders of our Class A ordinary shares and must act through the depositary to exercise those rights.

Holders of our ADSs do not have the same rights as our shareholders and may only exercise the voting rights with respect to the underlying Class A ordinary shares represented by the ADSs in accordance with the provisions of the deposit agreement. Holders of ADSs may not attend general meetings of our shareholders or cast any votes directly at such meetings. Under the deposit agreement, ADS holders must vote by giving voting instructions to the depositary, as the holder of the underlying Class A ordinary shares which are represented by your ADSs. Upon receipt of your voting instructions, the depositary will endeavor to vote the underlying ordinary shares in accordance with your instructions. You will not be able to directly exercise any right to vote with respect to the underlying Class A ordinary shares at any general meeting of our shareholders unless you withdraw such shares and become the registered holder of such shares prior to the record date for the general meeting. Under our third amended and restated memorandum and articles of association, the minimum notice period required to be given by our company to our registered shareholders for convening a general meeting is 14 days. When a general meeting is convened, ADS holders may not receive sufficient advance notice to enable them to withdraw the Class A ordinary shares underlying their ADSs and become the registered holder of such shares prior to the record date for the general meeting to allow you to attend the general meeting and to vote directly with respect to any specific matter or resolution which is to be considered and voted upon at the general meeting. In addition, under our third amended and restated memorandum and articles of association, for the purposes of determining those shareholders who are entitled to attend and vote at any general meeting, our directors may close our register of members and/or fix in advance a record date for such meeting, and such closure of our register of members or the setting of such a record date may prevent ADS holders from withdrawing the shares underlying their ADSs and becoming the registered holder of such shares prior to the record date, so that ADS holders would not be able to attend the general meeting or to vote directly. Where any matter is to be put to a vote at a general meeting, the depositary will endeavor to notify ADS holders of the upcoming vote and will arrange to deliver our voting materials to them. We cannot assure that ADS holders will receive the voting materials in time to ensure that they can instruct the depositary to vote the shares underlying their ADSs. In addition, the depositary and its agents will not be responsible for any failure to carry out any instructions to vote, for the manner in which any vote is cast or for the effect of any such vote. As a result, holders of ADSs may not be able to exercise their right to vote and may lack recourse if the underlying Class A ordinary shares represented by their ADSs are not voted as they requested.

If holders of ADSs do not give instructions to the depositary as to how to vote at shareholders' meetings, except in limited circumstances, the depositary for our ADSs will give us a discretionary proxy to vote the Class A ordinary shares underlying their ADSs, which could adversely affect their interests.

Under the deposit agreement for the ADSs, if holders of ADSs do not timely and properly give voting instructions to the depositary as to how to vote the shares underlying their ADSs at any particular shareholders' meeting, the depositary will give us (or our nominee) a discretionary proxy to vote the Class A ordinary shares underlying their ADSs at the shareholders' meeting unless:

- we have failed to timely provide the depositary with notice of meeting and related voting materials;
- we have instructed the depositary that we do not wish a discretionary proxy to be given;
- we have informed the depositary that there is substantial opposition as to a matter to be voted on at the meeting;
- a matter to be voted on at the meeting would have a material adverse impact on shareholders; or

- the voting at the meeting is to be made on a show of hands.

The effect of this discretionary proxy is that if holders of ADSs do not timely and properly give voting instructions to the depositary as to how to vote the Class A shares underlying their ADSs at any particular shareholders' meeting, they cannot prevent the Class A ordinary shares underlying their ADSs from being voted, except under the circumstances described above. This may make it more difficult for holders of ADSs to influence the management of our company. Holders of our ordinary shares are not subject to this discretionary proxy.

You may not receive dividends or other distributions on our ordinary shares and you may not receive any value for them, if it is illegal or impractical to make them available to you.

The depositary of our ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on ordinary shares or other deposited securities underlying our ADSs, after deducting its fees and expenses. You will receive these distributions in proportion to the number of ordinary shares your ADSs represent. However, the depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any holders of ADSs. For example, it would be unlawful to make a distribution to a holder of ADSs if it consists of securities that require registration under the Securities Act but that are not properly registered or distributed under an applicable exemption from registration. The depositary may also determine that it is not feasible to distribute certain property through the mail. Additionally, the value of certain distributions may be less than the cost of mailing them. In these cases, the depositary may determine not to distribute such property. We have no obligation to register under U.S. securities laws any ADSs, ordinary shares, rights or other securities received through such distributions. We also have no obligation to take any other action to permit the distribution of ADSs, ordinary shares, rights or anything else to holders of ADSs. This means that you may not receive distributions we make on our ordinary shares or any value for them if it is illegal or impractical for us to make them available to you. These restrictions may cause a material decline in the value of our ADSs.

Our ADS holders may be subject to limitations on transfer of their ADSs.

In certain cases, our ADSs are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may close its books from time to time for a number of reasons, including in connection with corporate events such as a rights offering, during which time the depositary needs to maintain an exact number of ADS holders on its books for a specified period. The depositary may also close its books in emergencies, and on weekends and public holidays. The depositary may refuse to deliver, transfer or register transfers of our ADSs generally when our share register or the books of the depositary are closed, or at any time if we or the depositary thinks it is advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason.

We incur increased costs as a result of being a public company.

We are a public company and incur significant legal, accounting, and other expenses that we did not incur as a private company. We will incur additional costs as a result of our secondary listing on the Hong Kong Stock Exchange. We are currently evaluating and monitoring developments with respect to these rules and regulations, and we cannot predict or estimate with any degree of certainty the amount of additional costs we may incur or the timing of such costs. Operating as a public company will make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. In addition, we incur additional costs associated with our public company reporting requirements. It may also be more difficult for us to find qualified persons to serve on our board of directors or as executive officers.

We have been and we may again be involved in lawsuits in the United States in the future. For example, on March 15, 2021, plaintiffs GeoSolutions B.V. and GeoSolutions Holdings N.V. filed a complaint in the California Superior Court, Santa Clara County, naming as defendants, among others, the Company, the Chairman of our Board of Directors, our Chief Executive Officer, and our parent company Sina Corporation. The complaint alleges unlawful use of Plaintiffs' location-based services technology by the defendants and a series of other claims. The Company, together with other served defendants, have removed the case from state court to the United States District Court for the Northern District of California. See *GeoSolutions B.V. et al v. Sina.Com Online et al* (5:21-cv-08019-EJD). On December 20, 2021, the Company and certain other Non-U.S. defendants filed a motion to dismiss the complaint for lack of personal jurisdiction in the federal court. On March 4, 2022, plaintiffs filed their opposition to the motion to dismiss. On April 22, 2022, the Company and certain other Non-U.S. defendants filed their reply. On March 16, 2023, the Court granted the motion to dismiss, with leave to amend. Plaintiffs indicated their intention to file an amended complaint. We believe this action is without merit and are defending it vigorously. We cannot predict the outcome of the action, and we are currently unable to estimate the potential loss, if any, associated with the resolution of this action. Lawsuits such as the above could divert a significant amount of our management's attention and other resources from our business and operations, which could harm our results of operations and require us to incur significant expenses to defend the lawsuits. Any such class action suit, whether or not successful, could harm our reputation and restrict our ability to raise capital in the future. In addition, if a claim is successfully made against us, we may be required to pay significant damages, which could have a material adverse effect on our financial condition and results of operations.

Furthermore, our directors and employees may face additional exposure to claims and lawsuits as a result of their position in other public companies. For example, Mr. Charles Chao, our chairman of the board of directors, was named as a defendant in ongoing putative securities class action lawsuits filed in the U.S. against another U.S. listed company in connection with a management buyout, which concern Mr. Chao in his capacity as a director of this public company and as an officer of a buyer group member. The court dismissed plaintiffs' amended complaint on September 29, 2021. On February 8, 2022, the court entered judgment on its decision, ending the case in the district court. Plaintiffs appealed, and the case is currently going through appellate procedures before the Court of Appeals for the Second Circuit. The existence of the litigation, claims, investigations and proceedings against our directors and employees, even if they do not involve our company, may harm our reputation and adversely affect the trading price of our Class A ordinary shares and/or ADSs.

The different characteristics of the capital markets in Hong Kong and the U.S. may negatively affect the trading prices of our Class A ordinary shares and/or ADSs.

We are subject to Hong Kong and Nasdaq listing and regulatory requirements concurrently. The Hong Kong Stock Exchange and Nasdaq have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules, and investor bases (including different levels of retail and institutional participation). As a result of these differences, the trading prices of our Class A ordinary shares and our ADSs may not be the same, even allowing for currency differences. Fluctuations in the price of our ADSs due to circumstances peculiar to the U.S. capital markets could materially and adversely affect the price of our Class A ordinary shares, or vice versa. Certain events having significant negative impact specifically on the U.S. capital markets may result in a decline in the trading price of our Class A ordinary shares notwithstanding that such event may not impact the trading prices of securities listed in Hong Kong generally or to the same extent, or vice versa. Because of the different characteristics of the U.S. and Hong Kong capital markets, the historical trading prices of our ADSs may not be indicative of the trading performance of our Class A ordinary shares.

Exchange between our Class A ordinary shares and our ADSs may adversely affect the liquidity and/or trading price of each other.

Our ADSs are currently traded on Nasdaq. Subject to compliance with U.S. securities law and the terms of the deposit agreement, holders of our Class A ordinary shares may deposit Class A ordinary shares with the depository in exchange for the issuance of our ADSs. Any holder of ADSs may also withdraw the underlying Class A ordinary shares represented by the ADSs pursuant to the terms of the deposit agreement for trading on the Hong Kong Stock Exchange. In the event that a substantial number of Class A ordinary shares are deposited with the depository in exchange for ADSs or vice versa, the liquidity and trading price of our Class A ordinary shares on the Hong Kong Stock Exchange and our ADSs on the Nasdaq may be adversely affected.

The time required for the exchange between our Class A ordinary shares and ADSs might be longer than expected and investors might not be able to settle or effect any sale of their securities during this period, and the exchange of Class A ordinary shares into ADSs involves costs.

There is no direct trading or settlement between the Nasdaq and the Hong Kong Stock Exchange on which our ADSs and our Class A ordinary shares are respectively traded. In addition, the time differences between Hong Kong and New York, unforeseen market circumstances or other factors may delay the deposit of Class A ordinary shares in exchange for ADSs or the withdrawal of Class A ordinary shares underlying the ADSs. Investors will be prevented from settling or effecting the sale of their securities during such periods of delay. In addition, there is no assurance that any exchange for Class A ordinary shares into ADSs (and vice versa) will be completed in accordance with the timelines that investors may anticipate.

Furthermore, the depositary for the ADSs is entitled to charge holders fees for various services including for the issuance of ADSs upon deposit of Class A ordinary shares, cancellation of ADSs, distributions of cash dividends or other cash distributions, distributions of ADSs pursuant to share dividends or other free share distributions, distributions of securities other than ADSs and annual service fees. As a result, shareholders who exchange Class A ordinary shares into ADSs, and vice versa, may not achieve the level of economic return the shareholders may anticipate.

Item 4. Information on the Company

A. History and Development of the Company

SINA, our parent, launched Weibo in August 2009, originally as a microblogging service provider. In 2010, SINA incorporated a subsidiary, T.CN Corporation, in the Cayman Islands to hold the assets associated with the Weibo business. In 2011, Weibo was upgraded with social networking features and improved open platform architecture to support internally developed and third-party developer applications on our platform. In 2012, T.CN Corporation was renamed Weibo Corporation. In April 2013, Alibaba Group invested US\$585.8 million through its wholly owned subsidiary, Ali WB, in our ordinary and preferred shares representing approximately 18% of Weibo Corporation's then total outstanding shares on a fully diluted basis.

In April 2014, our company completed the initial public offering and has been listed on the Nasdaq Global Selected Market since then. Our company was incorporated under the laws of the Cayman Islands and is headquartered in Beijing, China. With offices throughout mainland China and Hong Kong, our principal place of operations is located at QIHAO Plaza, No. 8 Xinyuan S. Road, Chaoyang District, Beijing 100027, People's Republic of China. Our telephone number is +86 10 5898-3336.

Weibo Corporation holds 100% of the equity of Weibo Hong Kong Limited, or Weibo HK, a company incorporated in Hong Kong, and 100% of the equity of WB Online Investment Limited, or WB Online, a company incorporated in the Cayman Islands. Weibo HK is our intermediary holding company in Hong Kong. WB Online mainly engages in investing activities.

Weibo HK holds 100% of the equity of Weibo Technology and 100% of the equity of Hangzhou Weishichangmeng Advertising Co., Ltd., or Weishichangmeng. Both Weibo Technology and Weishichangmeng are our wholly owned subsidiaries in China. Weibo Technology's principal business activities are the provision of technical and consulting services. Weishichangmeng's principal business activities are the provision of advertising and marketing services.

We are a holding company, and we conduct our business primarily through our PRC subsidiaries, the VIEs and their subsidiaries in China. See "Item 4. Information on the Company—C. Organizational Structure" and "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Corporate Structure." We rely principally on dividends and other distributions from Weibo Technology for our cash needs, including the funds necessary to pay dividends to our shareholders or service any debt we may incur. The VIEs hold certain assets including an Internet Content Provision License held by Weimeng, and other permits that are necessary for operating our business in China. In 2010, Weibo Technology gained a controlling financial interest in Weimeng and became its primary beneficiary (for accounting purpose only) through a series of contractual arrangements between Weibo Technology, Weimeng and Weimeng's shareholders. Weimeng Chuangke primarily engages in strategic investments in companies whose businesses are complementary to ours, which generally include high-tech companies operating in different internet-related businesses. In 2014, Weibo Technology gained a controlling financial interest in Beijing Weimeng Chuangke Investment Management Co., Ltd., or Weimeng Chuangke, and became its primary beneficiary (for accounting purpose only) through a series of contractual arrangements between Weibo Technology, Weimeng Chuangke and Weimeng Chuangke's shareholders. We refer to Weimeng and Weimeng Chuangke, collectively, as the VIEs in this annual report.

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In December 2013, Weimeng acquired from SINA the entire equity interest in Beijing Weibo Interactive Internet Technology Co., Ltd., or Weibo Interactive, a PRC company engaged in the online game business, for a consideration of US\$10.1 million.

In June 2015, we acquired from SINA the majority equity interest in Weibo Funds, which engage in the investment of start-up high-tech companies, for a consideration of US\$22.0 million.

In October 2017, we issued the 2022 Notes. The 2022 Notes bear an annual interest rate of 1.25%, payable semiannually in arrears on May 15 and November 15 of each year, beginning on May 15, 2018. The 2022 Notes matured on November 15, 2022. Before the maturity of the 2022 Notes, a holder converted the 2022 Notes in principal amount of US\$8,000. Upon the maturity of the 2022 Notes, we repaid US\$899,992,000 aggregate principal amount of the 2022 Notes using our available cash.

In July 2019, we issued the 2024 Notes. The 2024 Notes were issued at par value and bear an annual interest rate of 3.50%, payable semiannually in arrears on January 5 and July 5 of each year, beginning on January 5, 2020. The 2024 Notes will mature on July 5, 2024, unless previously repurchased or redeemed in accordance with their terms prior to the maturity.

In July 2020, we issued the 2030 Notes. The 2030 Notes bear an annual interest rate of 3.375%, payable semiannually in arrears on January 8 and July 8 of each year, beginning on January 8, 2021. The 2030 Notes will mature on July 8, 2030, unless previously repurchased or redeemed in accordance with their terms prior to maturity.

On December 8, 2021, our Class A ordinary shares commenced trading on the Main Board of the Hong Kong Stock Exchange under the stock code “9898” through a global offering of Class A ordinary shares. We and SINA offered in aggregate of 12,453,620 Class A ordinary shares in the global offering (including the exercise of over-allotment option). We sold 5,500,000 Class A ordinary shares and raised approximately US\$178.4 million in net proceeds from the global offering, after deducting estimated underwriting fees and other offering expenses. SINA sold 6,953,620 Class A ordinary shares converted from the same number of Class B ordinary shares, including 1,453,620 Class A ordinary shares pursuant to exercise of the over-allotment option by the joint representatives of the international underwriters to purchase additional Class A ordinary shares. We received no proceeds from the sale of ordinary shares by SINA.

On August 22, 2022, we signed a five-year US\$1.2 billion term and revolving facilities agreement with a group of 23 arrangers. The facilities consist of a US\$900 million five-year bullet maturity term loan and a US\$300 million five-year revolving facility. In the fourth quarter of 2022, we have fully withdrawn the US\$900 million five-year bullet maturity term loan.

SEC maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC on www.sec.gov. You can also find information on our website <http://ir.weibo.com>.

B. Business Overview

Weibo is a leading social media platform in China for people to create, discover and distribute content. By providing a simple and inspirational way for people and organizations in China and the global Chinese communities to publicly express themselves in real time, interact with others on a platform with vast scale and stay connected with the world, Weibo has had a profound social impact in China. Launched in 2009, Weibo has been committed to enabling faster, easier, and richer connection among people and has become an integral part of many of Weibo users’ daily lives.

Leveraging the early-mover advantage and the accumulated know-hows and insights in the social media industry, Weibo has amassed a large user base in China and in Chinese communities in more than 190 countries around the world. We had 586 million MAUs and 252 million average DAUs in December 2022.

Weibo has transformed the way people express themselves and interact with others in the public internet space. Any user can create and post a feed and attach multimedia or long-form content. User relationships on Weibo may be asymmetric, and any user can follow any other user and add comments to a feed while reposting. This simple, asymmetric, and distributed nature of Weibo allows an original feed to become a live viral conversation stream.

Weibo serves a wide range of users including ordinary people, celebrities, key opinion leaders (“KOLs”), and other public figures or influencers, as well as media outlets, businesses, government agencies, charities, and other organizations, making it a microcosm of Chinese society. As a leading social media, Weibo allows people in China and the global Chinese communities to be heard publicly and exposed to the rich ideas, cultures, and experiences in a broader world.

Weibo offers comprehensive content formats as a social media platform. Weibo users can create, discover, consume and share various formats of content, including text, photo, video, live streaming, and audio on Weibo platform. By aggregating various media formats, Weibo platform allows content creators to have more diverse choices to create content in their most desirable ways, so that more enriched content could be generated and distributed across the platform. Weibo is also well positioned to capture the market trends in media formats transformation. To capitalize on the trend of video, Weibo has launched a series of innovative initiatives to improve its video product offerings and to empower and attract more video content creators to its platform.

To support the diverse content offerings, Weibo also has comprehensive coverage of content categories and content creators. The diversified content offerings on Weibo platform cater to the evolving and broad interests of Weibo users and cultivate a more vibrant ecosystem on Weibo platform.

Our Revenue Model

We began monetization on our platform in 2012, and have since experienced solid revenue growth and margin expansion, except that our revenues and business were adversely impacted by the outbreaks of COVID-19 in 2020 and subsequent surges driven by various variants of COVID-19 in 2022. We had total net revenues of US\$1,836.3 million in 2022, compared to US\$2,257.1 million in 2021, mostly due to nationwide Omicron outbreaks that disrupted economic activities and caused macro economy to be volatile, which negatively impacted the overall advertising demand. For a detailed discussion of the COVID-19 impacts on our operations and financial performance, see “Item 5. Operating and Financial Review and Prospects—Impact of COVID-19 on Our Operations and Financial Performance.”

We generate revenues primarily from customers who purchase advertising and marketing services and, to a lesser extent, from fee-based revenues, such as membership. Revenues generated from advertising and marketing services accounted for 88% of our total revenues in both 2020 and 2021, and 87% of our total revenues in 2022. We had income from operations of US\$506.8 million in 2020, US\$697.4 million in 2021 and US\$480.5 million in 2022. Our operating margin, being the ratio of income from operations to total revenues, reached 30% in 2020, 31% in 2021 and 26% in 2022.

Products and Services

Our product categories include those for users, advertising and marketing customers and platform partners.

Products for Users

Our product development approach is centered on building simple and useful tools to enable our users to access Weibo to discover, create, and distribute content and interact with others on our platform in real time. We employ a “mobile first” philosophy and have designed our platform around the capabilities of mobile devices. We introduced the first generation of the Weibo mobile app in the first quarter of 2010. Our app is compatible with all major mobile operating systems, including Android, iOS and others, and is accessible through mobile apps, mobile websites, computer apps and computer websites. Users can watch videos, read articles, discover hot information feeds and interest-based topics after installing the Weibo app or when visiting Weibo websites. Users registered with a Weibo account can set up their account information, post feeds, upload short videos and post articles. Users can also interact among themselves on our platform by following, liking, reposting, adding comments, sending private messages, and participating in topic discussions and group chats.

Starting from a social media platform primarily focusing on text and photo, Weibo has been rolling out new formats, such as video and live streaming, to meet users’ evolving demands. With its continuous efforts in capitalizing on new content formats, Weibo now offers a wide array of content format, content categories and content creators among social platforms in China. Weibo plans to attract more users by further diversifying and enhancing its content offerings, such as promoting the video account program and accelerating the videolization for Weibo’s content creators.

Weibo serves a wide range of users including ordinary people, celebrities, KOLs, and other public figures or influencers, as well as media outlets, businesses, government agencies, charities, and other organizations. Weibo has collaborated with industry leading multi-channel networks (MCNs) to provide high-quality content that spans across various content verticals.

Discovery. We offer the following products to help users discover content on our platform:

- *Information Feed.* We organize and present users with information feed in different forms. Among all our offerings, the two most important and most frequently browsed feeds are relationship-based information feed (follow model) and interest-based information feed, both of which reside on users' home page.

Each user's relationship-based information feed displays a flow of feeds posted by that user and other users who he or she has opted to follow. Since Weibo allows users to follow other users without establishing a reciprocal relationship, users are able to personalize who they follow based on their interests. In other words, users can as easily follow celebrities and strangers as they follow friends and acquaintances. To improve user experience, the relationship-based information feed has evolved from a chronological timeline to one with multiple dimensions, including content relevancy, content quality, user interest, user engagement, user relationships, etc. Users can also customize their information feed by classifying followed accounts into different groups, e.g. friends, co-workers, celebrities, finance, sports and view feeds from each group separately.

Interest-based information feeds are timelines of feeds recommended by Weibo based on different interest-based themes. The hot information feed is an example of an interest-based information feed that we present on users' homepages to recommend feeds on recent popular topics, breaking news and feeds generated through user's individual interest. We also organize other interest-based information feeds on various themes for users to further explore the topics in which they are interested. For example, the video information feed, which is a timeline of recommended videos that appears after a user finishes watching a short video; and the profile information feed, which can be found on a user's individual page and shows all of the feeds shared by that user.

- *Search.* Our search function allows users to search our large content pool for users, feeds, videos, articles, pictures, etc. based on keywords (hashtag), topics or recent popular trending. Through our powerful search function, users can efficiently acquire the most relevant information they seek in real time.
- *Discovery Zone.* The discovery zone is the interface aggregating Search, Channels, Trends and information feeds for users to conveniently access a variety of content and services based on the user's current location and topical interests such as games, movie reviews, ticket purchasing, online music streaming, online shopping and live streaming. Users can find content related to their interests and interact with others of the same interests in the discovery zone.
- *Channels.* Channels gather users based on particular interests or locations and encourage user engagement through interaction within each channel. Users can visit these Channels to find rich content on topics of interest and interact with other users of similar interest. For example, users can watch live streaming content and movie trailers from the respective Channels and write reviews in the discussion zone. With Weibo's location-based services, users can locate popular points of interest, find information about them such as show times for movie theaters and menus for restaurants, access coupons, post comments, and see reviews shared by other users.
- *Trends.* Trends are lists of hot topics on Weibo. A user can start a topic discussion by adding hashtags (#) around a word or phrase in a feed. The key word or phrase then becomes searchable with a single click. Top trends are listed in the discovery zone. Users may view feeds under each trending topic and participate in the discussion. Weibo hot search is our hot topic ranking chart which is calculated based on data mining of real-time search data on the Weibo platform, presenting to users the most breaking, real-time and trendy content. It is currently the go-to platform for hot trend discovery, consumption and discussion.

Self-Expression. We offer the following products to enable our users to express themselves on our platform:

- *Post.* Weibo enables users to express and share their ideas, opinions and stories in the form of text and multimedia content. A post is usually composed of text, and can include rich, descriptive and vivid content such as photos, short videos, live streaming and long-form articles.

- *Individual Page.* Each individual user has an Individual Page to express and share ideas, opinions and stories in the form of text and multimedia content. Basic information about a user, including username, introduction, education, location, liked feeds, accounts followed, follower accounts and Weibo account number, is also available on the user's Page. Individual users with verified authentic identity information will have an orange "V" mark on their profile picture. Weibo membership, which can be purchased mainly through monthly, quarterly, or annual subscriptions, offers certain additional services and functions not available to free users, such as following more users, more personalization of their Pages, additional options to manage information feeds and followers and access to premium games. Business and other organizations with verified identities can apply for enterprise accounts, create an Enterprise Page and will have a blue "V" mark on their profile picture. We enable organizations to customize their Pages and to increase brand awareness, interact with followers, and perform marketing events, promotion activities, and advertisement campaigns on Weibo. We also enable businesses and other organizations to increase their business efficiency by providing various tools. For example, an e-commerce merchant can facilitate purchase activities through Weibo or offer "red envelop," and drawings to build a follower base.
- *Videos.* Users can continuously create, share and discover full-screen vertical and horizontal short videos. Videos allow users to more easily create and consume content, and have gained popularity quickly among Weibo users, especially younger generation. In addition, user can use tools such as stickers, filters and music to express their personality.
- *Top Articles.* Top Articles satisfies users' need for content creation and presentation. Users can create beautifully presented content through Top Articles, and then publish their content through Weibo, which will display the content through information feed.
- *Weibo Q&A.* Weibo Q&A is our question-and-answer platform where users can engage in free Q&A as well as paid Q&A. The creation and interaction of user-generated content strengthens user engagement on Weibo.
- *Weibo Live Streaming.* Weibo Live Streaming includes showcase live streaming and media live streaming that satisfies the broadcasting demand of both individual users and business or organization users.

Social. We offer the following mechanisms to promote social interaction between users on our platform:

- *Follow.* Users can establish relationships with other users by electing to follow them. Feeds that are posted or reposted by a user will automatically appear in the information feed of the user's followers. Relationships may be asymmetrical. The user being followed does not need to approve the follower's decision to follow them, although a user can choose to limit access to certain feeds or blacklist a certain follower.
- *Repost, Comment, Favorite, Like.* By clicking on the Repost button, users can repost feeds from other users. When a feed is reposted, the original author is able to virally reach and influence users beyond that author's own circle of followers, leveraging the network of the followers of the author's followers, sometimes many degrees away. Users can add their own comments when they repost and share their view on the original feed with their followers. Users can also leave comments on a feed by clicking on the Comment button. If they like a feed, they can click on the Like button to express their support for the feed. At the bottom of each feed, users can see how many people have Reposted, Commented on or Liked the feed. Users can also save feeds into their favorites by clicking on the Favorite button.
- *Topic Discussion.* By accessing the topic feeds embedded in the Discovery Zone, users can consume hot topics and trends on Weibo, participate in specific topic discussions and interact with other platform users with similar topical interests.
- *Super Topic.* Super Topic is a community product to aggregate content around an influencer or a particular interest for users to follow. Users can join a Super Topic to access curated content, interact with users who share similar interests and participate in topic discussion.
- *@Mention.* Users can involve others into a particular feed and engage with them through @Mention these other users in the feeds. Meanwhile, users can easily participate in topics under which they are mentioned by going to the @Mention Page, which allows users to access all the feeds in which they are mentioned by other users.

Products for Advertising and Marketing Customers

We seek to provide advertising and marketing solutions to enable our customers to promote their brands and conduct effective marketing activities. We provide our customers with analytical tools to enable them to track and improve the effectiveness of their marketing campaigns on our platform. Our advertising and marketing customers seek a full spectrum of online advertising and marketing services ranging from brand awareness to interest generation, sales conversion and loyalty marketing.

The prices of our advertising and marketing solutions depend upon various factors, including the format, display location, and duration of the advertisements. We generally enter into agreements with standard terms and conditions with advertisers and advertising agencies. From time to time, we may provide sales rebates to advertising agencies.

We consider the ultimate beneficiary of our online advertising services as an “advertiser,” meaning the party whose products, brand awareness or marketing activities benefited from the execution of advertisement. We consider a party that we enter into an advertisement service contract with as our “customer” from accounting perspective. As such, we treat an advertising agency who enters into an advertisement service contract with us as our customer, and such advertising agency may represent and serve multiple advertisers. If an advertiser directly enters into an advertisement service contract with us, we will treat such advertiser also as our customer.

Social Display Advertisements. Social display advertisements appear on the app’s opening page, the Discovery Zone banner and the website home page banner. When users click on a display advertisement, they may be redirected to the advertiser’s Weibo Page or a product page on other platforms for further engagement or conversion.

Promoted Marketing. Leveraging our large and engaged user base, and celebrities and KOLs’ influence on Weibo platform, our customers are enabled to amplify their visibility and the reach of their original marketing campaign, and thus achieve earned media on our platform. Our promoted marketing offerings include the following:

- *Promoted Feeds.* Promoted feeds appear in the user’s information feed alongside organic feeds. We encourage our customers to produce feeds that have relevant information value similar to that of the users’ organic feeds. Customers may use our SIG recommendation engine to better target their audience and improve the relevancy of the advertisement to the users. Super FST is an advertising platform specifically for our promoted feeds advertising products under a real time bidding system. By leveraging Weibo’s data insights, Super FST can help customers precisely target users based on user attributes and social relations, enabling customers to achieve marketing objectives such as improving customers’ branding, increasing website visits and advertisement conversion rate, growing fan bases, increasing app installation rates and collecting sales leads. Customer can place information feeds advertisements either through our authorized distributor, or directly by themselves on Super FST. Super FST provides various advertising formats, such as multi-image post, image-text, video and matrix advertisements. Some of our differentiated promoted feeds advertising offerings include:
 - Fans Headline is a promoted service that guarantees a certain feed from the customer will appear at the top of the information feeds of the customer’s followers or the audience that the customer would like to target, enabling customers to leverage celebrities and KOLs’ rising influence on our platform.
 - Weibo Express is a promoted service mainly offered to customers with brand awareness purpose to reach and engage with a broad range of Weibo users; and
- *Promoted Trends and Search.* Promoted trends and search products appear alongside user’s organic trends discovery and search behaviors, based on keywords, topics and trends. Promoted trends, which are labeled as “promoted,” appear among the list of trending topics, and can be virally distributed to reach broader audience on the platform. When a user clicks on a promoted trend, he will be redirected to the sponsor’s landing page. Promoted searches usually appear as the default keyword or topic in the search bar when triggered by users’ search behaviors of certain sponsored keyword or topic.

Products for Platform Partners

We seek to provide our platform partners with abundant tools and services, which improves Weibo's content ecosystem with more diverse and high quality content, increases user engagement, enhances user experience, expands user scale and strengthens platform influence. Our platform partners include traditional and online media outlets, copyright content providers, KOLs, MCNs and other self-media, as well as app developers and data suppliers. We offer different products tailored to different types of platform partners, including:

Products for copyright content providers. We work with TV channels, online video websites and operators with copyright content through traffic resource exchange and content traffic sharing. Such cooperation enriches Weibo's content ecosystem with diversified video content and strengthens Weibo's brands influence, while at the same time enhancing partners' user scales, and their brands influence.

- *Standardized products.* Our standardized products to platform partners include, among others, Trends, Search, Video/Live Streaming, and Editing tools.
- *Customized products.* We provide customized products such as content customization, pooling of copyright contents and user interaction development to our platform partners.
- *Resource services.* We provide our platform partners with operational resources to expand their brand influence, such as search list recommendation, trends list recommendation and Weibo app opening advertisements.

Products for KOLs, MCNs and other self-media. Self-media refers to organization partners with the ability to manage and provide services to top content creators on Weibo, such as MCNs, unions and e-commerce partners. These top content creators produce various types of content on Weibo in the form of video, live stream, images and text. We provide self-media with standardized products and services to help them build up and monetize social assets, which in return enables them to produce more content and attracts more self-medias to our platform. Our products and services to them include:

- *Back-end management.* We provide standardized and specialized back-end management allowing KOLs and self-media to monitor their traffic performance and manage their accounts in a scalable manner. Our back-end management services include, among others, management of accounts, data, resources and growth.
- *Traffic supports.* We provide traffic distribution supports such as account recommendation, content recommendation and access to certain exclusive functions.
- *Product services.* We provide self-media with product solutions for better displaying and promotion of its account and content through various channels, including information feeds, video feeds and users' home pages.

Products for other app developers. Under user consent, our open application platform allows users to log into third-party applications with their Weibo account, which enables sharing of third-party content on our platform. User privacy is strictly protected during the authorization to third-party applications, which only have access to users' basic public information. This product helps mobile app developers to acquire users while helps Weibo to acquire shared content from other apps and platforms.

Weibo Wallet. Our Weibo wallet product enables platform partners to conduct interest generation activities on Weibo, such as handing out "red envelopes" and coupons to other users to build a bigger and more active fan base, and drive purchase conversion. Weibo wallet also enables individual users to purchase different types of products and services on Weibo, including those offered by us, such as marketing services and membership, and those offered by our platform partners, such as e-commerce merchandises, financial products and virtual gifts.

Competition

We provide online social media services for users in China and the global Chinese communities. The social media industry is highly competitive and rapidly changing due to the quickly evolving market demand and user preferences. As a result, we face significant competition for user traffic, user engagement and advertising and marketing spending from a wide array of existing and potential competitors who may launch new websites, apps, platforms or services at a relatively low cost. Many companies offer various content and services that compete with our offerings. With the growth rate of the overall size of the internet community slowing down, the industry is evolving rapidly while witnessing rising competition for traffic and user time.

We are a media platform in nature, and major Chinese internet companies, such as Tencent and Bytedance, that provide online media, including content aggregation and distribution services, compete directly with us for user traffic and user engagement, content, talent and marketing resources. In addition, as a social media platform featuring social networking services and providing a rich variety of multimedia contents, we are subject to intense competition from providers of similar services, such as social networking platforms and multimedia content platforms with social features. We are subject to intense competition from providers of similar services as well as potentially new types of online services. These services mainly include (i) messengers and other social apps and sites, such as Weixin/WeChat and QQ Mobile; (ii) multimedia apps (photo, video and live streaming, etc.), such as Douyin/TikTok, Kuaishou, Bilibili, Little Red Book (Xiaohongshu), iQiyi, Tencent Video, Youku and Xigua Video; and (iii) news apps and sites operated by other major internet companies, including Tencent, Bytedance and NetEase. In addition, as a media platform in nature, we also compete with traditional media companies for audiences and content.

For value-added services, we mainly offer membership services, online game services, social commerce solutions and live streaming tools to users that enable them to conduct related activities on our platform. Consequently, our value-added service offerings compete with platforms which provide similar services to users. In addition to direct competition, we face indirect competition from companies that sponsor or maintain high traffic volume websites or provide an initial point of entry for internet users, including but not limited to providers of search services, web browsers and navigation pages.

We also face significant competition for advertising and marketing spending. A substantial majority of our revenues is generated from the sale of advertising and marketing services. We compete against businesses that offer such services, including but not limited to social media and social networking platforms, multimedia content platforms and online media platforms. We also compete with internet companies that offer online-to-offline, purchase solutions and other performance-based advertising services and digital media tailored to vertical industries, such as automobile and IT. We also compete against traditional media outlets for advertising and marketing spending.

Some of our larger competitors have substantially broader product or service offerings and leverage their relationships based on other products or services to gain a larger share of advertising and marketing budgets. We believe that our ability to compete effectively for advertising and marketing spending depends upon many factors, including the size, composition and engagement of our user base, our advertisement targeting capabilities, market acceptance of our advertising and marketing services, our marketing and selling efforts, the return our customers receive from our advertising and marketing services and the strength and reputation of our brands. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—If we are unable to compete effectively for advertising and marketing spending, our business and operating results may be materially and adversely affected.”

We may also face increasing competition from global social media, social networking services and messengers. Some of our competitors may have substantially more cash, traffic, technical and other resources than we do. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—If we are unable to compete effectively for user traffic or user engagement, our business and operating results may be materially and adversely affected.”

We experience significant competition for highly skilled personnel, including management, engineers, designers and product managers. Our growth strategy depends in part on our ability to retain our existing personnel and add additional highly skilled employees. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—Our business and growth could suffer if we are unable to hire and retain key personnel.”

Technology, Research and Development

Built on our proprietary technology, including machine learning and cloud computing, we have developed a leading social media platform to satisfy users’ customized content consumption need. We devote substantial research and development resources in the areas of artificial intelligence, cloud computing, big-data analytics, as well as live streaming related areas.

Unified Platform. We have developed a unified, open platform that allows our users, customers and platform partners to access a vast amount of content on Weibo from mobile devices, personal computers and other internet-enabled devices in real time. Our platform adopts service-oriented architecture that allows easy up-scaling and frequent upgrading of our products. Our platform is built on technologies that can process and analyze bulk data generated by millions of users instantaneously.

Artificial Intelligence. We have in-house designed a SIG recommendation engine. We have developed a comprehensive database of our users' social interest graphs based on user actions such as Post, Repost, Comment, Like and Follow, and social relationships. Our SIG recommendation engine employs multiple algorithms, making it capable of realizing hyperscale online training, allowing us and our customers to push content to Weibo users that they are more likely to find interesting and relevant. We continually refine our recommendation engine to improve the relevance of information we push to users to increase user stickiness. In addition, we believe that advertisements can gain greater relevance from social context and become part of the user experience rather than an interruption of it.

Cloud Computing. Our hybrid cloud platform can spot hot topics within seconds, automatically and speedily expand our cloud servers within minutes, and support millions of user visits occurring every second. Our proprietary model optimizes and facilitates efficient data storage by dividing data into different levels. This distributed storage model allows us to efficiently manage huge amount of data while storing data on ordinary servers that are easily scalable. Our geographically distributed architecture enables fast access for users across the country. Weibo, as the main distribution platform for China's major hot topics, has been providing users with stable and smooth visiting experiences, even when its peak user access traffic was constantly refreshed by itself from time to time upon hot topics on its platform.

Video Platform. Our video platform supports media content in multiple formats. We have upgraded our video encoder, making it possible to provide quality visual effects even when end users' bandwidths are limited. We invented a video orchestration engine, which has significantly increased the efficiency to process videos and the speed for users to upload videos. We utilize machine learning technologies to semantically understand videos uploaded to our platform, whereby we extract texts, basic features from videos to generate content labels, interest-based themes and video fingerprint information. We use this information to accelerate content review of the videos and distribution of the videos on our platform.

Live Streaming System. We have developed a smart dispatch system that links push streaming with node load balancing and optimal path finding technologies, which adjusts video caches to adapt to different networks and ensures video quality and stability in live streaming. We have upgraded our live streaming engine to support millions of users watching live streaming simultaneously and to improve user experience with lower network latency even in poor internet conditions.

Sales and Marketing

We maintain our own sales operations team. In historical periods before 2021, we classified our advertising business by customer type, namely, key account ("KA") and SME customers, and they were served by different sales force. The separation of sales force was mainly driven by the marketing needs of these two group of customers we observed. Back then, the marketing needs of KA customers were more brand-driven, which resulted in their focus on purchasing brand exposure products, while the marketing needs of SME customers were usually performance-driven. However, with the development of the online advertising industry and the expansion of Weibo's business over the years, the distinction between the needs of KA and SME customers became less obvious and the classification of customer type by KA and SME customers no longer fits our internal management and operational objectives. In order to address the market demand more efficiently, we have restructured our sales team at the end of fiscal year 2020 by eliminating the distinctions between the KA and SME customer sales forces and merging the two teams together. We also stopped labelling the customers by KA and SME customers and ceased tracking their data separately from the beginning of the fiscal year of 2021. We were also aware that the advertising demands of both KA or SME customers have been shifting towards "branding-plus-performance" and we have adjusted our advertisement products accordingly. We transact business either directly with customers or through third-party advertising agencies.

Due to the expertise required to carry out an effective online marketing campaign, many customers prefer to hire advertising agencies to handle their internet brand campaigns. These advertising agencies provide a broad spectrum of internet marketing and advertising services. Our sales team leverages Weibo's unique position and advantages in social marketing to assist customers or their advertising agencies throughout their advertising campaign cycle, from designing advertisement campaigns and crafting advertisements in different formats to executing social marketing campaigns and providing analytical tracking.

SINA acts as one of our agents in servicing our advertising and marketing clients. We have signed an agreement with SINA relating to these sales and marketing services. See “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Our Relationship with SINA—Sales and Marketing Services Agreement.” We will continue to offer integrated solutions to customers with both SINA’s and our advertising and marketing solutions. We believe that our advertising and marketing solutions are complementary to SINA’s.

We believe that our position as a leading social media platform in China has given us widespread name recognition. We focus on continually improving the quality of our products and services to strengthen our brand, as we believe satisfied users and customers are more likely to recommend our products and services to others. While word of mouth has helped us, we also make selective use of advertising, promotions and special events to promote Weibo awareness and usage.

Environmental, Social and Governance



Weibo is committed to living up to its social responsibilities and to facilitate meaningful public affairs dialogue. Media outlets use Weibo as a source of information and a distribution channel for their headline news. Government agencies and officials use Weibo as an important official communication channel for disseminating timely information and gauging public opinion to improve public services. Individuals and charities use Weibo to make the world a better place by launching charitable projects, seeking donations and volunteers and leveraging the celebrities and organizations on Weibo to boost their social influence. For example, amid the outbreaks of COVID-19 in China in 2020, as well as the subsequent surges driven by various variants of COVID-19 throughout 2022, we have been implementing measures to facilitate public disclosure and provide assistance in locating trustworthy and useful information. In addition, we launched Weibo Charity as early as 2012 to allow users to initiate charity projects by posting messages on our platform. Charity organizations and individuals with verified accounts can raise funds and recruit volunteers for public services on Weibo Charity. We also work with government, public welfare organizations, media outlets, enterprises, celebrities and KOLs on our platform to raise awareness of charitable causes. Some of our initiatives, for example, are focused on supporting rural revitalization efforts and providing aid and support to vulnerable populations.

We commit to actively embracing different identities and individuals and to promote the value of an inclusive and diverse culture with gender equality, which we believe attracts the best talent. We adopted gender equality policy in making decisions over recruitment, training, promotion, salary, benefits and other human resources management activities. Adhering to our equal employment and development principle, our human resources decisions shall be based on each employee’s work performance, motivation, quality and specialty, regardless of gender, and in compliance with relevant rules and regulations. We continuously analyze and monitor organizational and diversity issues, including the gender and diversity composition of human resources at various levels. Women hold various leader roles in our company, including Ms. Hong Du, our director, and Ms. Fei Cao, our chief financial officer. We will continue to work towards enhancing the gender diversity of our board of directors, including, within three years after the listing on the Hong Kong Stock Exchange, identify and recommend at least one female candidate to our board of directors for its consideration on appointment of a director, with the goal to achieve a higher percentage of female board representatives, subject to our directors (i) being satisfied with the competence and experience of the relevant candidates after a holistic review process based on reasonable criteria; and (ii) fulfilling their fiduciary duties to act in the best interest of our company and the shareholders as a whole when deliberating on the appointment. We target to maintain a culture of inclusion and diversity through activities such as providing trainings over gender and inclusion, prevention of sexual harassment, and protection from sexual exploitation and abuse.

We are committed to achieving carbon neutrality and will work towards improving energy efficiency. We also strive to make our office environment environmentally friendly by promoting green building concepts and using eco-friendly power for office equipment. Our greenhouse gas emissions are primarily generated by the energy consumed during our operations. Weibo is committed to complying with local energy conservation laws, regulations, and standards, and we actively monitor and manage our energy usage. We aim to improve our energy utilization by optimizing our energy structure, upgrading energy-consuming equipment, and exploring new energy sources. As a leading social media platform, we partner with media, enterprises, government, and non-profit organizations to encourage individuals to participate in green projects, making us a strong advocate for the green philosophy. While we comply with relevant national and local environmental laws and regulations, we do not produce any industrial waste that may harm the environment. As confirmed by our PRC counsel, TransAsia Lawyers, we are not required to obtain any approvals or certificates that are applicable to environmental laws and regulations in the PRC.

We have formulated and implemented various workplace safety policies and procedures to ensure that our employees have a safe working environment.

Intellectual Property

We rely on a combination of patent, copyright, trademark and trade secret laws and restrictions on disclosure to protect our intellectual property rights. As of December 31, 2022, we have registered 258 patents and applied for an additional 62 patents with the PRC State Intellectual Property Office. As of December 31, 2022, we have registered 521 software copyrights with the PRC National Copyright Administration. We have also registered domain names, including weibo.com, weibo.cn and weibo.com.cn. We have obtained an exclusive, perpetual, worldwide and royalty-free license from SINA to use its “新浪微博” “” and “” trademarks.

We have implemented procedures to reduce the likelihood that content published on Weibo might be used without proper licenses or third-party consents. For example, we request users to agree to the terms and conditions set forth in the user agreement of our platform, including agreeing not to infringe the intellectual property rights of others. We leverage our technology to monitor and protect original content on our platform. For example, we have launched a self-protection function for video content creators, and the fingerprint trails of their videos will be extracted and saved in our system. Our system will compare against the fingerprint trails extracted from the newly uploaded video by third parties, then send to our screening team for second-level manual review. We will replace the infringing content with the link to the original content. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or otherwise obtain and use our technology. Monitoring unauthorized use of our technology is difficult and costly, and we cannot be certain that the steps we have taken will prevent misappropriation of our technology, particularly in foreign countries where the laws may not protect our proprietary rights as fully as in the United States. From time to time, we may have to resort to litigation to enforce or defend our intellectual property rights, which could result in substantial costs and diversion of our resources.

In addition, third parties may initiate litigation against us alleging infringement of their proprietary rights or declaring their non-infringement of our intellectual property rights. In the event of a successful claim of infringement and our failure or inability to develop non-infringing technology or license the infringed or similar technology on a timely basis, our business could be harmed. In addition, even if we are able to license the infringed or similar technology, license fees could be substantial and may adversely affect our results of operations.

See also “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business— We may not be able to adequately protect our intellectual property, which could cause us to be less competitive.” and “Item 3.—Risk Factors—D. Risks Relating to Our Business—We may be subject to intellectual property infringement claims or other allegations by third parties, which may materially and adversely affect our business, financial condition and prospects.”

Seasonality

Weibo has experienced seasonality in its online advertising business. Historically, advertising spending tends to be the lowest in the first quarter of each calendar year due to long holidays around the Lunar New Year. Past performance may not be indicative of future trends, as the mix of advertising industry sectors, which may have different seasonality factors, may shift from quarter to quarter.

Regulation

The following description of PRC laws and regulations is based upon the opinion of TransAsia Lawyers, our PRC counsel. For a description of legal risks relating to our ownership structure and business, see “Item 3. Key Information—D. Risk Factors.”

Regulations on Microblogs

The Rules on the Administration of Microblog Development, issued by the Beijing Municipal Government in 2011, stipulate that users who post publicly on microblogs are required to disclose their real identity to the microblogging service provider, though they may still use pen names on their accounts. Microblogging service providers are required to verify the identities of their users. In addition, microblogging service providers based in Beijing were required to verify the identities of all of their users, including existing users who post publicly on their websites.

The Cyber Security Law, issued by the Standing Committee of the National People’s Congress on November 7, 2016, which came into effect on June 1, 2017, requires network operators that provide network access or domain name registration services, landline or mobile phone network access, or that provide users with information publication or instant messaging services, to require users to provide a real identity when they sign up.

CAC released the Provisions on the Administration of Microblog Information Services, or the Microblogs Provisions, on February 2, 2018, which came into effect on March 20, 2018. The Provisions for Microblogs provide the principal responsibilities of the microblog service providers, including, among other matters, authentication of true identity information; tiered and categorized management; rumor-dispelling mechanisms; industry self-discipline; social supervision; and administrative management. The Microblogs Provisions further require microblog service providers to establish complete and comprehensive systems for registering users; verifying published information; managing posts, comments, and emergency responses; and providing education and training for practitioners; as well as implement a “chief editor system.” Additionally, the Microblogs Provisions require microblog service providers to set up sound rumor-dispelling mechanisms, whereby it shall take the initiative to refute rumors when it finds that any microblog service user publishes or spreads any rumor or untruthful information. Furthermore, if new technology is adopted or if any update is made to add an application or function which enable discussion of news or social mobilization capabilities, it shall be reported to the local CAC office of the relevant province, autonomous region or municipality directly under the State Council for security assessment.

In order to comply with the abovementioned rules, we have added additional clauses into the agreements between the users of our microblog service and us requesting our microblog users to register using their real names.

On November 15, 2018, the CAC and the Ministry of Public Security jointly promulgated the Regulations for the Security Assessment of Internet Information Services Having Public Opinion Properties or Social Mobilization Capacity, which deems microblogging, live streaming, information sharing services as internet information having public opinion properties or social mobilization capacity. The service providers providing such services are required to conduct security assessments when they launch new online services, expand the functionality of their existing services, introduce new technologies or applications, experience a significant increase in user base, witness the spread of unlawful or harmful information, or any other circumstance identified by the cybersecurity authorities. These service providers are required to submit security assessment reports to the local cybersecurity authorities and public security bureau via the National Internet Security Management Service Platform.

Regulations on Advertisements

The PRC government regulates advertising, including online advertising, principally through the SAMR, formerly the State Administration for Industry and Commerce. Since 2005, the State Administration for Industry and Commerce has exempted most enterprises (other than radio stations, television stations, newspapers and magazines, non-corporate entities and entities specified in other regulations) that engage in advertising business from the requirement of holding an operating license for advertising in addition to a relevant business license. We conduct our online advertising business through Weimeng, which holds a business license that covers online advertising in its scope of business.

Advertisers, advertising operators and advertising distributors are required by PRC advertising laws and regulations to ensure that the content of the advertisements they produce or distribute are true and in full compliance with applicable laws and regulations. In addition, where a special government review is required for certain categories of advertisements before publishing, advertisers, advertising operators and advertising distributors are obligated to confirm that such review has been duly performed and that the relevant approval has been obtained. Violations of these regulations may result in penalties, including fines, confiscation of advertising income, orders to cease dissemination of the advertisements and orders to publish an advertisement correcting the misleading information. For serious violations, the SAMR or its local branches may order the violator to terminate its advertising operations or even revoke its business license. Furthermore, advertisers, advertising operators or advertising distributors may be subject to civil liabilities if they infringe on the legal rights and interests of third parties.

On April 24, 2015, the Standing Committee of the National People’s Congress issued the PRC Advertising Law or the Advertising Law, effective on September 1, 2015 and amended on October 26, 2018 and April 29, 2021. The Advertising Law applies to all advertising activities conducted via the internet. The Advertising Law requires that users must be able to close online pop-up ads with one click. Moreover, internet service providers are obligated to cease publishing any advertisements that they know or should know are illegal. Violation of these regulations may result in penalties, including fines, confiscation of the advertising incomes, termination of advertising operations and even suspension of the provider’s business license.

On July 4, 2016, the State Administration for Industry and Commerce issued the Interim Measures for the Administration of Internet Advertising, or the Interim Measures, which became effective on September 1, 2016. The Interim Measures clarify that “Internet Advertisements” means commercial advertisements that promote commodities or services directly or indirectly via Internet media such as websites, webpages and Internet application programs in the form of texts, pictures, audio, video or other forms. The Interim Measures also impose a number of new requirements on Internet advertisers. For example, the Interim Measures state that paid search advertisements should be clearly distinguished from ordinary search results. In addition, consistent with the Advertising Law, the Interim Measures require that advertisements published on Internet pages in the form of pop-ups or other similar forms shall be clearly marked with a “Close” button to ensure “one click to close.” The measures also prohibit unfair competition in internet advertisement publishing, including (i) providing or using any programs or hardware to intercept or filter any legally operated advertisements of other persons; and (ii) using network pathways, network equipment or applications to disrupt the normal data transmission of advertisements, alter or block legally operated advertisements of other persons or load advertisements without authorization. Violation of these regulations may result in fine of up to RMB30,000, with any punishments administrated by the Administrative Authority for Industry and Commerce in the place where the advertisement publisher is located.

On February 25, 2023, the State Administration for Market Regulation released the Measures for the Administration of Internet Advertising. The measures, which replace previous regulations, will become effective on May 1, 2023. The goal of these measures is to ensure transparency, protect user rights and assign responsibilities to advertising agents, publishers, and platform operators. The measures provide guidelines for various forms of online advertisements, including pop-ups, open-screen, livestreaming, “soft text,” linked, auction ranked, algorithm-recommended, live broadcast, and covert advertisements. For example, when promoting goods through “soft text” ads, the publisher must clearly indicate that it is an advertisement using the relevant label. The regulations require internet platform operators to prevent and stop illegal advertisements, such as recording and storing user identity information, monitoring content, and using warnings or suspensions for users who publish illegal ads. Platform operators must also establish complaint and reporting mechanisms and cooperate with competent authorities. Platforms are not allowed to obstruct monitoring by the authorities. Those who violate these rules may face fines, confiscation of illegal profits, business operation suspension, and revocation of licenses. The administrative penalty decisions made by competent governmental authorities will be publicly disclosed through the National Enterprise Credit Information Publicity System.

To comply with these laws and regulations, we include clauses in all of our advertising contracts requiring that all advertising content provided by advertisers or advertising agencies must comply with the relevant laws and regulations.

Regulations on Value-Added Telecommunications Services

The Telecommunications Regulations, promulgated by the State Council in 2000, and were subsequently revised in 2014 and 2016 respectively, draw a distinction between “basic telecommunication services” and “value-added telecommunication services.” Internet content provision services is a subcategory of value-added telecommunications services. According to the Catalogue of Telecommunications Business, most recently updated in June 6, 2019, the “value-added telecommunication services” was further classified into two sub-categories and 10 items. Internet content provision services, or ICP services, is under the second subcategory of value-added telecommunications businesses. Under the Telecommunications Regulations, commercial operators of value-added telecommunications services must first obtain an operating license from the MIIT or its provincial level counterparts.

The State Council issued the Administrative Measures on Internet Information Services concurrently with the Telecommunications Regulations in 2000 to regulate internet content provision services, which was subsequently amended on January 8, 2011. According to these measures, commercial internet content provision service operators must obtain an Internet Content Provision License from the relevant government authorities before engaging in any commercial internet content provision operations within the PRC. These measures further stipulate that entities providing internet content provision services regarding news, publishing, education, medicine, health, pharmaceuticals and medical equipment must procure the approval of the national government authorities responsible for such areas prior to applying for an operating license from the relevant government authorities.

The Administrative Measures on Telecommunications Business Operating Licenses, promulgated by the MIIT in 2001 and revised in 2009 and 2017, set forth the types of licenses required to operate value-added telecommunications services and the qualifications and procedures for obtaining such licenses. For example, an information service operator providing value-added telecommunication services in multiple provinces is required to obtain an inter-regional license, whereas an information services operator providing the same services in one province is required to obtain a local license.

To comply with these PRC laws and regulations, Weimeng holds an Internet Content Provision License issued by the Beijing Telecommunications Administration. In addition, Weimeng also holds an inter-regional Value-Added Telecommunications Services Operating License for provision of value-added telecommunication services nationwide.

Restrictions on Foreign Ownership in Value-Added Telecommunications Services

According to the Provisions on Administration of Foreign Invested Telecommunications Enterprises, promulgated by the State Council in 2001 and amended in 2008, 2016 and 2022, respectively, the ultimate foreign equity ownership in a value-added telecommunications service provider must not exceed 50%, except as otherwise stipulated by the state. Foreign investors that meet these requirements must obtain approvals from the MIIT and the Ministry of Commerce or their authorized local branches. Due to the limitation of foreign investment in value-added telecommunications services companies that provide internet information services, we would be prohibited from acquiring any equity interest in Weimeng. In addition, we believe that our contractual arrangements with Weimeng and its individual shareholders provide us with sufficient and effective control over Weimeng. Accordingly, we currently do not plan to acquire any equity interest in Weimeng.

The Notice of the MIIT on Intensifying the Administration of Foreign Investment in Value-added Telecommunications Services, issued in 2006, prohibits domestic telecommunications services providers from leasing, transferring or selling telecommunications business operating licenses to any foreign investor in any form, or providing any resources, sites or facilities to any foreign investor for their illegal operation of a telecommunications business in China. Either the holder of a value-added telecommunications business operating license or its shareholders must legally own the domain names and trademarks used by such license holder in providing value-added telecommunications services. The notice further requires each license holder to have the necessary facilities, including servers, for its approved business operations and to maintain such facilities in the regions covered by its license. In addition, all value-added telecommunications service providers are required to maintain network and internet security in accordance with the standards set forth in the relevant PRC regulations. If a license holder fails to comply with the requirements in the notice and cure such non-compliance, the MIIT or its local counterparts have the discretion to take measures against such license holders, including revoking their value-added telecommunications business operating licenses.

The National People's Congress approved the Foreign Investment Law on March 15, 2019 and the State Council approved the Regulation on Implementing the Foreign Investment Law (the "Implementation Regulations") on December 26, 2019, effective from January 1, 2020. They replaced the trio of existing laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested Enterprise Law, together with their implementation rules and ancillary regulations. The Foreign Investment Law and Implementation Regulations embody an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. The Foreign Investment Law and the Implementation Regulations reference a negative industry list for foreign investment's access into various PRC domestic industries. This negative list has been updated from time to time by the State Council and sets forth industry sectors prohibited to foreign investment. According to the Special Administrative Measures for Access of Foreign Investment (Negative List) (2021) effective on January 1, 2022, or the Negative List, the ultimate foreign equity ownership of a value-added telecommunications service (other than e-commerce, domestic multi-party communications, storage-forwarding and call centers) provider in the PRC may not exceed 50%.

The Supreme People's Court of China issued a judicial interpretation on the Foreign Investment Law on December 27, 2019, effective from January 1, 2020, to ensure fair and efficient implementation of the Foreign Investment Law. According to the judicial interpretation, courts in China shall not, among other things, support contracted parties to claim foreign investment contracts in sectors not on the Negative List as void because the contracts have not been approved or registered by administrative authorities. In addition, courts in China shall support contracted parties who claim (i) foreign investment contracts for sectors prohibited by the Negative List as void, or (ii) foreign investment contracts in sectors where foreign investment is restricted as void because the contracts have violated the restrictions in the Negative List.

To comply with these PRC regulations, we operate our platform through Weimeng. Weimeng is currently owned by four PRC employees of our company or SINA, Y. Liu, W. Wang, W. Zheng and Z. Cao, and a third-party minority stake holder, WangTouTongDa (Beijing) Technology Co., Ltd. Weimeng holds an Internet Content Provision License and an Online Culture Operating License. Weimeng owns the domain names related to its operations and our platform (weibo.com, weibo.cn, and weibo.com.cn), while the trademarks relating to our operations are held by Weibo Technology, Weimeng and SINA's subsidiaries. Due to the fact that trademarks owned by SINA's subsidiaries contain SINA's Chinese name or logo, such trademarks cannot be transferred to us. However, each of SINA's subsidiaries has granted an exclusive license to Weimeng for its use of such trademarks. If the relevant PRC government authorities determine in the future that the current ownership of our trademarks do not comply with the relevant regulations and the trademarks relating to our operations must be held by Weimeng, we may need to transfer these trademarks to Weimeng, which could severely disrupt our business.

If, despite these precautions, the PRC government determines that we do not comply with applicable laws and regulations, it can revoke our business and operating licenses, require us to discontinue or restrict our operations, restrict our right to collect revenues, block our platform, require us to restructure our operations, including possibly the establishment or restructuring of a foreign-invested telecommunications enterprise, re-application for the necessary licenses, or relocation of our businesses, staff and assets, impose additional conditions or requirements with which we may not be able to comply, or take other regulatory or enforcement actions against us. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Corporate Structure—If the PRC government determines that the contractual arrangements constituting part of the VIE structure do not comply with PRC regulations on foreign investment in internet and other related businesses, or if these regulations or their interpretation change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.”

Regulations on Internet Content Services

National security considerations are an important factor in the regulation of internet content in China. The National People’s Congress has enacted laws with respect to maintaining the security of internet operations and internet content. According to these laws, as well as the Administrative Measures on Internet Information Services, violators may be subject to penalties, including criminal sanctions, for internet content that:

- opposes the fundamental principles stated in the PRC Constitution;
- compromises national security, divulges state secrets, subverts state power or damages national unity;
- harms the dignity or interests of the state;
- incites ethnic hatred or racial discrimination or damages inter-ethnic unity;
- undermines the PRC’s religious policy or propagates superstition;
- disseminates rumors, disturbs social order or disrupts social stability;
- disseminates obscenity or pornography, encourages gambling, violence, murder or fear or incites the commission of a crime;
- insults or slanders a third party or infringes upon the lawful rights and interests of a third party; or
- is otherwise prohibited by law or administrative regulations.

Internet content provision service operators are required to monitor their websites. They may not post or disseminate any content that falls within these prohibited categories and must remove any such content from their websites. The PRC government may shut down the websites of Internet Content Provision License holders that violate any of the above-mentioned content restrictions, order them to suspend their operations, or revoke their Internet Content Provision Licenses.

On February 4, 2015, the CAC promulgated the Administrative Provisions on Account Names of Internet Users, or the Account Names Provisions, which became effective as of March 1, 2015. The Account Name Provisions require internet service providers to authenticate registered users’ identity information and to commit to complying with the “seven basic requirements,” including, among other things, observing the laws and regulations, protecting state interests, as well as ensuring the authenticity of any information they provide. Relevant internet information service providers are responsible for protecting users’ privacy, the consistency between user information, such as account names, avatars, and the requirements set forth in the Account Names Provisions, making reports to the competent authorities regarding any violation of the Account Names Provisions, and taking appropriate measures to stop any such violations, such as, notifying the user to make corrections within a specified time and suspending or closing accounts in the event of continuing non-compliance.

On October 26, 2021, the CAC issued draft Administrative Provisions on the Account Names of Internet Users, revising the Account Names Provisions. This draft provides that when registering an internet account, the user shall execute an agreement with the Internet user account services platform, provide authentic identity information, and obey the rules of the platform. Internet user account service platforms shall establish, improve and strictly implement, among others, account name information management system, information content security system, and personal information protection system. Internet user account service platforms should also establish protocols to ensure authenticity of account and user identity information. When an Internet user account is in violation of the provisions of this draft, the Internet user account service platform shall suspend the service and inform the user to correct the issue within a limited time frame; and if the user refuses to correct it, the account shall be closed.

On August 25, 2017, the CAC promulgated the Administrative Provisions on Internet Follow-up Comment Services, which was amended on November 16, 2022 with effect from December 15, 2022. It provides that services related to following-up on or responding to online comments must also strictly verify the identification information of registered users, establish and improve a user personal information protection system, establish and improve an Internet follow-up comment review and administration system for real-time monitoring of user comments, and emergency responses, among other things.

On August 25, 2017, the CAC promulgated the Administrative Provisions on Internet Forum and Community Services, which became effective as of October 1, 2017. It provides that Internet forum and community service providers must assume primary responsibility for establishing and improving real-time information verification, emergency response capabilities, and personal information protections as well as other information security administration systems to institute preventative safety measures with employed professionals and necessary technical support for performing these duties.

On September 7, 2017, the CAC promulgated the Provisions on the Administration of Information Services Provided through Chat Groups on the Internet, which became effective as of October 8, 2017. It requires that providers verify the identification information of users of information services through Internet chat groups and take necessary measures to protect user safety and personal information.

On September 7, 2017, the CAC promulgated the Administrative Provisions on the Information Services Provided through Official Accounts of Internet Users, as amended on January 22, 2021 and became effective on February 22, 2021. Pursuant to the amended provisions, official accounts, or public accounts on certain social media, refer to subscription accounts created and run by users of internet platforms to distribute information to the public. These platforms are required to establish and improve a management system for user registration, information content security, content ecology, data security, personal information protection, intellectual property protection and credit assessment, and a monitoring and evaluation mechanism for public accounts, to prevent fraud such as false account subscriptions and interaction counts. Platforms shall also establish and disclose management rules and platform codes with respect to information content production and public account operation, both of which shall be filed with the local cyberspace administrator. The amended provisions also require platforms to verify the consistency of user information on the platform with the user's real identity and prohibit the operators of public accounts from illegally transferring those accounts to others. Furthermore, platform shall establish and improve mechanisms to deal with online rumors and other false information. When cooperating with an account operator, platforms shall regulate and manage business acts such as e-commerce sales, advertisement publishing, user reward, etc. In addition, platform operators are obligated to prevent false advertisements and commercial fraud from occurring on their platforms.

On December 15, 2019, the CAC promulgated the Regulations on the Ecological Governance of Network Information Content, effective from March 1, 2020, which specify the content scopes that are encouraged, prohibited or prevented from producing, re-producing and publishing. The network information content producers should take measures to prevent and resist the production of content that, among others, uses exaggerated titles that are inconsistent with the content, may incite racism or discrimination against geographic region, and propagates gossip and scandals. The network information content service platforms should fulfill the main responsibility of content management and establish an ecological governance mechanism of the network information, improve system for user registration, account management, information publishing review, emergency response, and etc. The network information content service users, network information content producers and network information content service platforms should not, through manual or technical means, carry out acts, such as traffic falsification, traffic hijacking, false registration of account IDs, illegal trading of account IDs, or manipulation of user account IDs, that destroy network ecology.

The CAC launched a "Fan Group Chaos Rectification" special action on June 15, 2021, followed by the issuance of the Notice on Further Strengthening the Management of Chaos in Fan Groups on August 25, 2021. Both of the special action and notice are intended to rectify chaos in online fan groups for celebrities, specifically, in various fans interactive features and functions to curb attacks, stigmatization, fans community fiction and hostilities and the spread of other harmful information. This notice requested, among other things, the cancellation of all rankings of celebrities. The rankings of music, film and television works are still allowed, but the network platforms should optimize and adjust ranking rules to focus on the art works themselves and professional evaluation. Furthermore, minors are not allowed to make virtual gifting or spending money on supporting idols, or act as the organizer or manager of a fan group.

On October 26, 2021, the CAC issued the Notice on Further Strengthening the Regulation on Online Information of Entertainment Celebrities, which requests internet platforms to, among others, monitor information posted by celebrities online so as to timely identify hot topics that could involve illegal actions and to promptly report to the competent authorities in such event.

On June 27, 2022, the CAC promulgated the Administrative Provisions on the Account Information of Internet Users, with effect from August 1, 2022, which provides guidelines on registration and use of internet accounts by internet users and management of internet account information by internet information service providers. Specifically, the internet information service providers shall be the responsible party to perform the management obligations of internet account information, have adequate professional personnel and technical capacity commensurate with its service scale, and establish and strictly implement the management rules on verification of identity information, verification of account information, security of information content, ecological governance, emergency responses, personal information protection, etc.

On September 9, 2022, the CAC, together with the MIIT and SAMR jointly issued the Administrative Provisions on Internet Pop-up Window Information Notification Services, with effect from September 30, 2022, which provides that Internet pop-up window information notification services provider shall be the responsible party for management of information content, and establish and improve management rules on information content review, ecological governance, data security, personal information protection and protection of minors.

To comply with these PRC laws and regulations, we have taken measures including removing the function of star power list on our platform and adopted internal procedures to monitor content displayed on our platform, including a team of employees dedicated to screening and monitoring content uploaded on our platform and removing inappropriate or infringing content.

To the extent that PRC regulatory authorities find any content displayed on or through our platform objectionable, they may require us to limit or eliminate the dissemination or availability of such content on our platform or impose penalties, including the revocation of our operating licenses or the suspension or shutdown of our online operations. In addition, the costs of compliance with these regulations may increase as the volume of content and number of users on our website increase. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—Regulation and censorship of information disseminated over the internet in China may adversely affect our business and subject us to liability for information displayed on Weibo.”

Regulations on Information Security

Internet content in China is also regulated and restricted from a state security point of view. The Decision Regarding the Safeguarding of Internet Security, enacted by the Standing Committee of the National People’s Congress and amended in 2009, makes it unlawful to: (i) gain improper entry into a computer or system of strategic importance; (ii) disseminate politically disruptive information; (iii) leak state secrets; (iv) spread false commercial information; or (v) infringe intellectual property rights.

The Administrative Measures for the Security Protection of International Connections to Computer Information Network, promulgated by the Ministry of Public Security in 1997 and amended in 2011, prohibit the use of the internet in ways that, among other things, result in a leakage of state secrets or the distribution of socially destabilizing content. Socially destabilizing content includes any content that incites defiance or violations of PRC laws or regulations or subversion of the PRC government or its political system, spreads socially disruptive rumors or involves cult activities, superstition, obscenities, pornography, gambling or violence. State secrets are defined broadly to include information concerning PRC’s national defense affairs, state affairs and other matters as determined by the PRC authorities.

The Provisions on Technological Measures for Internet Security Protection, promulgated by the Ministry of Public Security in 2005, require all internet content provision operators to keep records of certain information about their users (including user registration information, log-in and log-out times, IP addresses, content and time of posts by users) for at least 60 days. If an internet content provision operator violates these measures, the PRC government may revoke its Internet Content Provision License and shut down its websites.

In addition, the State Secrecy Bureau has issued provisions authorizing the blocking of access to any website it deems to be leaking state secrets or failing to comply with the relevant legislation regarding the protection of state secrets.

On July 1, 2015, the Standing Committee of the National People’s Congress issued the National Security Law, which came into effect on the same day. The National Security Law provides that the state shall safeguard the sovereignty, security and cyber security development interests of the state, and that the state shall establish a national security review and supervision system to review, among other things, foreign investment, key technologies, internet and information technology products and services, and other important activities that are likely to impact national security of China.

On November 7, 2016, the Standing Committee of the National People's Congress issued the Cyber Security Law, which came into effect on June 1, 2017. The Cyber Security Law provides that network operators must set up internal security management systems that meet the requirements of a classified protection system for cyber security, including appointing dedicated cyber security personnel, taking technical measures to prevent computer viruses, network attacks and intrusions, taking technical measures to monitor and record network operation status and cyber security incidents, and taking data security measures such as data classification, backups and encryption. The Cyber Security Law also imposes a relatively vague but broad obligation to provide technical support and assistance to the public and state security authorities in connection with criminal investigations or for reasons of national security. The Cyber Security Law also requires network operators that provide network access or domain name registration services, landline or mobile phone network access, or that provide users with information publication or instant messaging services, to require users to provide a real identity when they sign up. The Cyber Security Law sets forth elevated security requirements for operators of "critical information infrastructure." These requirements include data localization, i.e., storing personal information and important business data in China, and national security review requirements for any network products or services that may have an impact on national security. Among other factors, "critical information infrastructure" is defined as critical information infrastructure, that will, in the event of destruction, loss of function or data leak, result in serious damage to national security, the national economy and people's livelihoods, or the public interest. Specific reference is made to key sectors such as public communication and information services, energy, transportation, water-resources, finance, public services and e-government. The Cyber Security Law also provides that the CAC and relevant departments, upon discovery of any publication or transmission of information prohibited by laws or administrative regulations, shall request the network operators to stop the transmission, take disposal measures such as deletion, and keep relevant records. The CAC and relevant departments shall notify the relevant departments to take technological and other measures to block the transmission of any information sourced from outside the territory of China.

On March 15, 2019, the CAC and the SAMR jointly issued the Notice on App Security Certification and the Implementation Rules on Security Certification of Mobile Internet Application, which encourages mobile application operators to voluntarily obtain app security certification, and search engines and app stores are encouraged to recommend certified applications to users. The institution designated for this certification is the China Cybersecurity Review Technology and Certification Center, or the CCRC. CCRC has the right to appoint testing agencies to inspect technical capabilities and business operations for the certification.

On December 28, 2021, 12 PRC governmental authorities including the CAC issued the Measures for Cybersecurity Review, with effect from February 15, 2022, which provide detailed cybersecurity review procedures for the purchase of network products and services by operators of "critical information infrastructure" or the data processing activities by a network platform operator. According to the Measures for Cybersecurity Review, "network products and services" primarily are to core network equipment, important communication product, high-performance computers and servers, mass storage equipment, large databases and applications, network security equipment, cloud computing services, and other network products and services that may have an important impact on the security of critical information infrastructure, cyber security or data security.

According to the Measures for Cybersecurity Review, before purchasing any network products or services, an operator of "critical information infrastructure" shall assess potential national security risks that may arise from the launch or use of such products or services, and apply for a cybersecurity review with the Cybersecurity Review Office if national security will or may be affected. To apply for a cybersecurity review, the operator of "critical information infrastructure" shall submit (i) an application letter, (ii) a report to analyze the impact or the potential impact on national security, (iii) purchase documents, agreements and the draft contracts, and (iv) other necessary materials. The cybersecurity review will evaluate the potential impact on national security due to the purchase of network products and services, taking into consideration of the following factors, among others, (i) the risk of any critical information infrastructure being illegally controlled, interfered, or sabotaged after using these products or services, (ii) the harm to the business continuity of any critical information infrastructure caused by the disruption of supply of these products and services, (iii) the security, openness, transparency and variety of sources of these products or services, the reliability of supply channels, as well as risks of supply interruptions due to factors such as politics, diplomacy and trade, and (iv) the risk of any core data, material data or a large amount of personal information being stolen, leaked, damaged illegally used, or illegally transferred abroad.

If the Cybersecurity Review Office deems it necessary to conduct a cybersecurity review, it should complete a preliminary review within 30 business days from the issuance of a written notice to the operator, or 45 business days for complicated cases. Upon the completion of a preliminary review, the Cybersecurity Review Office should reach a review conclusion suggestion and send the review conclusion suggestion to the implementing body for the cybersecurity review mechanism and the relevant authorities for their comments. These authorities shall issue a written reply within 15 business days from the receipt of the review conclusion suggestion. If the Cybersecurity Review Office and these authorities reach a consensus, then the Cybersecurity Review Office shall inform the operator in writing, otherwise, the case will go through a special review procedure. The special review procedure should be completed within 90 business days, or longer for complicated cases.

On July 22, 2020, the Ministry of Public Security published the Guidelines on Cybersecurity Protection System and Critical Information Infrastructure Security Protection System, which require competent authorities of public communication and information services, energy, transportation, water conservancy, finance, public services, electric governmental services, national defense science, technology and industry and other important industries and fields to formulate rules to identify critical information infrastructure in their respective industries fields, and furnish a list of identified entities with the Ministry of Public Security. Specifically, key protected assets, such as basic networks, large private networks, core business systems, cloud platforms, big data platforms, Internet of Things, industrial control systems, intelligent manufacturing systems, new internet and emerging communication facilities that meet the requirements for identification should be identified as critical information infrastructure.

On June 10, 2021, the Standing Committee of the National People’s Congress promulgated the Data Security Law, which took effect on September 1, 2021. The Data Security Law establishes a classified and tiered system for data protection based on the level of importance of the data in the economic and social development, as well as the level of danger of the data imposed on national security, public interests, or the legal interests of individuals and organizations upon any manipulation, destruction, leakage, illegal acquisition or illegal usage. Furthermore, it is specified that the Cyber Security Law applies to the security administration of the cross-border transfer of important data collected and generated by operators of “critical information infrastructure” during their operations in China.

On July 6, 2021, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council jointly issued the Opinions on Strictly Combating Illegal Securities Activities, which request improvement on the laws and regulations related to data security, cross-border data transfer and the management of confidential information, strengthening principal responsibility for the information security of overseas listed companies, strengthening standardized mechanisms for providing cross-border information, and improvement of cross-border audit regulatory cooperation in accordance with the law and the principle of reciprocity.

On July 30, 2021, the State Council promulgated the Regulations on Security Protection of Critical Information Infrastructure, effective on September 1, 2021. According to the Regulations on Security Protection of Critical Information Infrastructure, a “critical information infrastructure” has the meaning of an important network facility and information system in important industries such as, among others, public communications and information services, as well as other important network facilities and information systems that may seriously endanger national security, the national economy, the people’s livelihood, or the public interests in the event of damage, loss of function, or data leakage. The competent governmental departments and supervision and management departments of the aforementioned important industries will be responsible for (i) organizing the identification of critical information infrastructures in their respective industries in accordance with certain identification rules, and (ii) promptly notifying the identified operators and the public security department of the State Council of the identification results.

On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law of the People’s Republic of China (the “Personal Information Protection Law”), effective from November 1, 2021. The Personal Information Protection Law requires, among others, that (i) the processing of personal information should have a clear and reasonable purpose which should be directly related to the processing purpose, in a method that has the least impact on personal rights and interests, and (ii) the collection of personal information should be limited to the minimum scope necessary to achieve the processing purpose to avoid the excessive collection of personal information. Different types of personal information and personal information processing will be subject to various rules on consent, transfer, and security. Entities handling personal information bear responsibilities for their personal information handling activities, and shall adopt necessary measures to safeguard the security of the personal information they handle. Otherwise, the entities handling personal information could be ordered to correct, or suspend or terminate the provision of services, and face confiscation of illegal income, fines or other penalties.

On November 14, 2021, the CAC published a discussion draft of Management Measures for Internet Data Security, or the Draft Measures for Internet Data Security, which provides that data processors conducting the following activities shall apply for cybersecurity review: (i) merger, reorganization or separation of Internet platform operators that have acquired a large number of data resources related to national security, economic development or public interests affects or may affect national security; (ii) listing abroad of data processors processing over one million users' personal information; (iii) listing in Hong Kong which affects or may affect national security; (iv) other data processing activities that affect or may affect national security. The Draft Measures for Internet Data Security also provided that operators of large Internet platforms that set up headquarters, operation centers or R&D centers overseas shall report to the national cyberspace administration and competent authorities. In addition, the Draft Measures for Internet Data Security required data processors processing over one million users' personal information to comply with the regulations on important data processors, including, among others, appointing a person in charge of data security and establishing a data security management organization, filing with the competent authority within fifteen working days after identifying its important data, formulating data security training plans and organizing data security education and training for all staff every year, and that the education and training time of data security related technical and management personnel shall not be less than 20 hours per year. The Draft Measures for Internet Data Security also stated that data processors processing important data or going public overseas shall conduct an annual data security assessment by themselves or entrust a data security service institution to do so, and submit the data security assessment report of the previous year to the local branch of CAC before January 31 of each year. Further, the Draft Measures for Internet Data Security required Internet platform operators to establish platform rules, privacy policies and algorithm strategies related to data, and solicit public comments on their official websites and personal information protection related sections for no less than 30 working days when they formulate platform rules or privacy policies or makes any amendments that may have a significant impact on users' rights and interests. Further, platform rules and privacy policies formulated by operators of large internet platforms with more than 100 million daily active users, or amendments to such rules or policies by operators of large Internet platforms with more than 100 million daily active users that may have significant impacts on users' rights and interests shall be evaluated by a third-party organization designated by the CAC and reported to local branch of the CAC for approval. The CAC solicited comments on this draft, but there is no timetable as to when it will be enacted.

On February 24, 2023, the CSRC together with other PRC governmental authorities issued the Provisions on Strengthening the Management of Confidentiality and Archives regarding Overseas Securities Offerings and Listings by Domestic Companies, or the Confidentiality and Archives Management Provisions, with effect from March 31, 2023, pursuant to which, domestic companies, securities companies and securities service institutions involved in the overseas offerings and listings by PRC domestic companies, either in direct or indirect form, must establish a system of confidentiality and archival management to prevent disclosure of state secrets or harm to the state and public interests. The Confidentiality and Archives Management Provisions require that, among others, domestic companies involved in overseas offerings and listings must obtain approval from the competent authority and file with the secrecy administrative department at the same level before providing or publicly disclosing any document or material that involves state secrets or working secrets of state organizations. They must strictly follow relevant procedures in accordance with regulations to provide any document or material, the leakage of which may have adverse effects on national security or public interests. PRC domestic companies must provide statements to securities companies and securities service institutions indicating that they have followed these requirements. Additionally, domestic companies must enter into a confidentiality agreement with securities companies and securities service institutions to specify their confidentiality obligations and liabilities in accordance with laws and regulations, including PRC Laws on Protecting State Secrets and the Confidentiality and Archives Management Provisions. Working papers produced by securities companies and securities service institutions within the PRC for overseas offerings and listings shall also be stored within the PRC. The Confidentiality and Archives Management Provisions also require domestic companies to complete relevant procedures before providing accounting archives to entities, including securities companies, securities service institutions, overseas regulators, and individuals. PRC domestic companies, securities companies and securities service institutions must obtain relevant approval before providing documents and information in response to inspections and investigations by overseas regulators. These inspections and investigations should be conducted via the cross-border supervision mechanism whereby the PRC regulators will provide necessary assistance.

Because Weimeng is an internet content provision operator, we are subject to laws and regulations relating to information security. To comply with these laws and regulations, Weimeng has completed the mandatory security filing procedures with local public security authorities. We regularly update our information security and content-filtering systems based on any newly issued content restrictions, and maintain records of user information as required by relevant laws and regulations. We have also taken measures to delete or remove links to content that, to our knowledge, contains information that violates PRC laws and regulations.

If, despite the precautions, we fail to identify and prevent illegal or inappropriate content from being displayed on or through our platform, we may be subject to liability. In addition, these laws and regulations are subject to interpretation by the relevant authorities, and it may not be possible to determine in all cases what content could result in liability. To the extent that PRC regulatory authorities find any content displayed on or through our platform objectionable, they may require us to limit or eliminate the dissemination or availability of such content or impose penalties, including the revocation of our operating licenses or the suspension or shutdown of our online operations. In addition, the costs of compliance with these regulations may increase as the volume of content and users on our website increase. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—Regulation and censorship of information disseminated over the internet in China may adversely affect our business and subject us to liability for information displayed on Weibo.”

Regulations on Algorithm Recommendations

On February 7, 2021, the Anti-Monopoly Commission of the State Council published the Anti-Monopoly Guidelines for the Internet Platform Economy Sector, which stipulates that online platform operators who use technological advantages, such as data and algorithms, to eliminate or restrict competition or impose price restrictions or exclusivity requirements on users, may be deemed as committing an abuse of dominant market position.

On September 17, 2021, the CAC, together with eight other governmental authorities, jointly issued the Guidelines on Strengthening the Comprehensive Regulation of Algorithms for Internet Information Services, which provides that daily monitoring of data use, application scenarios and effects of algorithms shall be carried out by the relevant regulators, and that security assessments of algorithms shall be conducted by the relevant regulators. The guidelines also provide that an algorithm filing system shall be established and classified security management of algorithms shall be promoted.

On December 31, 2021, the CAC, together with the MIIT, the Ministry of Public Security and the SAMR, jointly issued the Administrative Provisions on Algorithm Recommendation of Internet Information Services, with effect from March 1, 2022, which provides that algorithm recommendation service providers are not allowed to use algorithms to register false user accounts, block information, give excessive recommendations, and that users should be given the option to easily turn off algorithm recommendation services.

On November 25, 2022, the CAC, together with the MIIT, the Ministry of Public Security jointly issued the Administrative Provisions on Deep Synthesis of Internet Information Services, with effect from January 10, 2023, which require deep synthesis service providers having public opinion properties or social mobilization capacity to complete the filing procedures under the Administrative Provisions on Algorithm Recommendation of Internet Information Services.

On April 11, 2023, the CAC released the draft Administrative Measures for Generative Artificial Intelligence Services for public comments. The draft measures apply to research, development, and use of generative AI that is offered to the public within China’s territory. Generative AI is defined as technology that generates content in the form of texts, pictures, audios, videos, and codes based on algorithms, models, and rules. Under the draft measures, any entity or individual that utilizes generative AI products to provide chats, texts, pictures, and audio generation services, including supporting others to generate chats, texts, pictures, and audios through API or other means, or the Providers, assume the responsibility of content producer for the contents generated by generative AI products. Furthermore, if personal information is involved, the Providers are required to take responsibility as the personal information processor and protect personal information. Before providing any services to the public utilizing generative AI products, a Provider is required to apply for a security assessment from the national cyberspace authority in compliance with the Regulations for the Security Assessment of Internet Information Services with Public Opinion Properties or Social Mobilization Capacity and fulfill algorithm filings requirements in accordance with the Regulations on the Management of Algorithm Recommendations for Internet Information Services. Providers are required to adhere to certain principles, including, among others, ensuring that the content created by generative AI aligns with societal morals and does not threaten national security, taking measures to avoid discrimination, ensuring the accuracy of generated content, and respecting intellectual property rights. If generated content does not meet the requirements under the measures discovered during operation or reported by users, Providers shall take measures such as content filtering and prevent their recurrence within three months through model optimization training and other methods. Providers shall label AI-generated content in accordance with the Administrative Provisions on Deep Synthesis of Internet Information Services. The CAC has solicited comments on this draft until May 10, 2023.

We have been advised by our PRC counsel, TransAsia Lawyers, that our current approaches are in compliance with effective laws and regulations for algorithm recommendation and deep synthesis in all material aspects as of the date of this annual report. However, since the Administrative Provisions on Algorithm Recommendation of Internet Information Services is relatively new thus uncertainties still exist with its interpretation, the potential impact on our business operations is still substantially uncertain.

Regulations on Internet Security

In recent years, PRC government authorities have enacted legislation on internet use to protect personal information from any unauthorized disclosure. PRC law does not prohibit internet content provision operators from collecting and analyzing personal information from their users. However, the Administrative Measures on Internet Information Services prohibit an internet content provision operator from insulting or slandering a third party or infringing the lawful rights and interests of a third party.

The Several Provisions on Regulating the Market Order of Internet Information Services, promulgated by the MIIT and effective in 2012, stipulate that internet content provision operators must not, without user consent, collect user personal information, which is defined as user information that can be used alone or in combination with other information to identify the user, and may not provide any such information to third parties without prior user consent. Internet content provision operators may only collect user personal information necessary to provide their services and must expressly inform the users of the method, content and purpose of the collection and processing of such user personal information. In addition, an internet content provision operator may only use such user personal information for the stated purposes under the internet content provision operator's scope of service. Internet content provision operators are also required to ensure the proper security of user personal information, and take immediate remedial measures if user personal information is suspected to have been disclosed. If the consequences of any such disclosure are expected to be serious, ICP operators must immediately report the incident to the telecommunications regulatory authority and cooperate with the authorities in their investigations.

On December 28, 2012, the Standing Committee of the National People's Congress issued the Decision on Strengthening the Protection of Online Information. Most requirements under the decision that are relevant to internet content provision operators are consistent with the requirements already established under the MIIT provisions mentioned above, though often stricter and broader. Under the decision, if an internet content provision operator wishes to collect or use personal electronic information, it must do so in a legal and appropriate manner, and may do so only if it is necessary for the services it provides. It must disclose the purpose, method and scope of any such collection or use, and must seek consent from the relevant individuals. Internet content provision operators are also required to publish their policies relating to information collection and use, must keep such information strictly confidential, and must take technological and other measures to ensure the safety of such information. Internet content provision operators are further prohibited from divulging, distorting or destroying of any such personal electronic information, or selling or providing such information to other parties. The decision also requires that internet content provision operators providing information publishing services must collect from users their personal identification information, for registration. In very broad terms, the decision provides that violators may face warnings, fines, confiscation of illegal gains, license revocations, filing cancellations and website closures.

On July 16, 2013, the MIIT issued the Order for the Protection of Telecommunication and Internet User Personal Information. Most requirements under the order that are relevant to internet content provision operators are consistent with pre-existing requirements but the requirements under the order are often more stringent and have a wider scope. If an internet content provision operator wishes to collect or use personal information, it may do so only if such collection is necessary for the services it provides. Further, it must disclose to its users the purpose, method and scope of any such collection or use, and must obtain consent from its users whose information is being collected or used. Internet content provision operators are also required to establish and publish their rules relating to personal information collection or use, keep any collected information strictly confidential, and take technological and other measures to maintain the security of such information. Internet content provision operators are required to cease any collection or use of the user personal information, and de-register the relevant user account, when a given user stops using the relevant internet service. Internet content provision operators are further prohibited from divulging, distorting or destroying any such personal information, or selling or providing such information unlawfully to other parties. In addition, if an internet content provision operator appoints an agent to undertake any marketing and technical services that involve the collection or use of personal information, the internet content provision operator is still required to supervise and manage the protection of the information. As to penalties, in very broad terms, the order states that violators may face warnings, fines, and disclosure to the public and, in most severe cases, criminal liability.

On November 7, 2016, the Standing Committee of the National People's Congress issued the Cyber Security Law, which came into effect on June 1, 2017. The Cyber Security Law imposes certain data protection obligations on network operators, including that network operators may not disclose, tamper with, or damage users' personal information that they have collected, and are obligated to delete unlawfully collected information and to amend incorrect information. Moreover, internet operators may not provide users' personal information to others without consent. Exempted from these rules is information irreversibly processed to preclude identification of specific individuals. Also, the Cyber Security Law imposes breach notification requirements that will apply to breaches involving personal information.

On January 23, 2019, the CAC, the MIIT, and the Ministry of Public Security or the MPS, and the SAMR jointly issued the Notice on Special Governance of Illegal Collection and Use of Personal Information via Apps, which restates the requirement of legal collection and use of personal information, encourages APP operators to conduct security certifications, and encourages search engines and APP stores to clearly mark and recommend those certified APPs.

On August 22, 2019, the CAC issued the Regulation on Cyber Protection of Children’s Personal Information, effective on October 1, 2019. Network operators are required to establish special policies and user agreements to protect children’s personal information, and to appoint special personnel in charge of protecting children’s personal information. Network operators who collect, use, transfer or disclose personal information of children are required to, in a prominent and clear way, notify and obtain consent from children’s guardians.

On November 28, 2019, the CAC, MIIT, MPS and SAMR jointly issued the Measures to Identify Illegal Collection and Usage of Personal Information by APPs, which lists six types of illegal collection and usage of personal information, including “not publishing rules on the collection and usage of personal information” and “not providing privacy rules.”

On May 28, 2020, the National People’s Congress adopted the Civil Code of the PRC, effective on January 1, 2021. According to the Civil Code, individuals have the right of privacy. No organization or individual shall process any individual’s private information or infringe on an individual’s right of privacy, unless otherwise prescribed by law or with such individual’s prior express consent. In addition, personal information is protected by the PRC laws. Any processing of personal information shall be subject to the principles of legitimacy, legality and necessity. An information processor must not divulge or falsify the personal information collected and stored by it, or provide the personal information of an individual to others without the consent of such individual.

On July 7, 2022, the CAC promulgated the Outbound Data Transfer Security Assessment Measure, or the Security Assessment Measures, which took effect on September 1, 2022. Pursuant to the Security Assessment Measures, a data processor shall apply for security assessment with the competent authority before any outbound data transfer if the transfer involves (i) important data; (ii) personal information transferred overseas by a CIIO and a data processor that has processed personal information of more than one million individuals; (iii) personal information transferred overseas by a data processor who has already provided personal information of 100,000 persons or sensitive personal information of 10,000 persons overseas since January 1 of the previous year; or (iv) other circumstances as requested by the CAC. Furthermore, on August 31, 2022, the CAC promulgated the Guidelines for filing the Outbound Data Transfer Security Assessment (Version 1), which provides that acts of outbound data transfer include (i) overseas transmission and storage by data processors of data generated during mainland China domestic operations; (ii) the access to, use, download or export of the data collected and generated by data processors and stored in mainland China by overseas institutions, organizations or individuals; and (iii) other acts as specified by the CAC.

On February 22, 2023, the CAC promulgated the Personal Information Outbound Transfer Standard Contract Measures, or the Standard Contract Measures, with effect from June 1, 2023. The Standard Contract Measures apply to the provision of personal information to any overseas recipient by a personal information processor through executing standard contract for personal information outbound transfer with such overseas recipient. The personal information processor who provides personal information to overseas recipient through standard contract shall meet the following criteria: (i) it is not a critical information infrastructure operator; (ii) it handles personal information of less than one million individuals; (iii) it provided personal information of less than 100,000 individuals in aggregate to overseas recipients since January 1 of the previous year; and (iv) it provided sensitive personal information of less than 10,000 individuals in aggregate to any overseas recipients since January 1 of the previous year. The Standard Contract Measures also require a personal information processor to conduct a personal information protection impact assessment before providing any personal information to an overseas recipient and complete the filing with local cybersecurity authority within 10 working days from the effective date of the standard contract.

To comply with these laws and regulations, we require our users to accept terms of services under which they agree to provide certain personal information to us, to have established information security systems protect user privacy and to have such information filed with the MIIT or its local branch as required. If Weimeng, which is an internet content provision operator, violates PRC laws in this regard, the MIIT or its local bureau may impose penalties and Weimeng may be liable for damages caused to their users. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—Privacy concerns relating to our products and services and the use of user information could damage our reputation, deter current and potential users and customers from using Weibo and negatively impact our business.”

On May 25, 2018, EU Directive 95/46/EEC was replaced by the GDPR on the protection of natural persons with regard to the processing of personal data and on the free movement of such data. The GDPR applies directly in all European Union member states from May 25, 2018 and applies to companies with an establishment in the European Economic Area, or the EEA, and to certain other companies not in the EEA that offer or provide goods or services to individuals located in the EEA or monitor individuals located in the EEA. The GDPR implements more stringent operational requirements for controllers of personal data, including, for example, expanded disclosures about how personal information is to be used, limitations on retention of information and pseudonymized data, increased cyber security requirements, mandatory data breach notification requirements and higher standards for controllers to demonstrate that they have obtained a valid legal basis for certain data processing activities.

The activities of data processors will be regulated for the first time, and companies undertaking processing activities are required to offer certain guarantees in relation to the security of such processing and the handling of personal data. Contracts with data processors will also need to be updated to include certain terms prescribed by the GDPR, and negotiating such updates may not be fully successful in all cases. Failure to comply with EU laws, including failure under the GDPR and other laws relating to the security of personal data may result in fines up to €20,000,000 or up to 4% of the total worldwide annual turnover of the preceding financial year, if greater, and other administrative penalties including criminal liability.

Regulations on Anti-monopoly and Anti-unfair Competition

On September 2, 1993, the Standing Committee of the National People's Congress, or the SCNPC, adopted the Anti-unfair Competition Law of the PRC, which took effect on December 1, 1993, and was amended on April 23, 2019. According to the Anti-unfair Competition Law, unfair competition refers to that the operator disrupts the market competition order and damages the legitimate rights and interests of other operators or consumers in violation of the provisions of the Anti-unfair Competition Law in the production and operating activities. Operators shall abide by the principle of voluntariness, equality, impartiality, integrity and adhere to laws and business ethics during market transactions. Operators in violation of the Anti-unfair Competition Law shall bear corresponding civil, administrative or criminal liabilities depending on the specific circumstances.

The PRC Anti-monopoly Law of the PRC promulgated by the SCNPC, which became effective on August 1, 2008, and the Rules of the State Council on Filing Threshold for Concentration of Undertakings promulgated by the State Council on August 3, 2008, and amended on September 18, 2018, require that where a concentration reaches one of the following thresholds, a filing must be completed in advance with the anti-monopoly law enforcement agency under the State Council, or otherwise the concentration shall not be implemented: (i) during the previous fiscal year, the total global turnover of all undertakings participating in the concentration exceeded RMB10 billion, and at least two of these undertakings each had a turnover of more than RMB400 million within China; or (ii) during the previous fiscal year, the total turnover within China of all the undertakings participating in the concentration exceeded RMB2 billion, and at least two of these undertakings each had a turnover of more than RMB400 million within China. If a business operator carries out a concentration in violation of the law, the relevant authority shall order the business operator to terminate the concentration, dispose of the shares or assets or transfer the business within a specified time limit, or take other measures to restore the pre-concentration status, and impose a fine of up to RMB500,000.

On September 11, 2020, the Anti-Monopoly Commission of the State Council issued Anti-Monopoly Compliance Guideline for Operators, which requires operators to establish anti-monopoly compliance management systems under the PRC Anti-Monopoly Law to manage anti-monopoly compliance risks.

On August 17, 2021, the SAMR issued a discussion draft of Provisions on the Prohibition of Unfair Competition on the Internet, under which business operators should not use data or algorithms to hijack traffic or influence users' choices, or use technical means to illegally capture or use other business operators' data. Furthermore, business operators are not allowed to (i) fabricate or spread misleading information to damage the reputation of competitors, or (ii) employ marketing practices such as fake reviews or use coupons or "red envelopes" to entice positive ratings.

On February 7, 2021, the Anti-Monopoly Commission of the State Council published Anti-Monopoly Guidelines for the Internet Platform Economy Sector that specified circumstances where an activity of an internet platform will be identified as monopolistic act as well as concentration filing procedures for business operators, including those involving variable interest entities.

On December 24, 2021, the NDRC together with other eight governmental authorities jointly issued the Opinions on Promoting the Healthy and Sustainable Development of the Platform Economy, which provides that, among others, monopolistic agreements, abuse of market dominant position and illegal concentration of business operators in the platform economy will be strictly investigated and punished in accordance with the laws.

On June 24, 2022, the Standing Committee of the National People’s Congress adopted the Anti-Monopoly Law, which came into effect on August 1, 2022. The new law increases fines for illegal business concentration to a maximum of 10% of the operator’s previous year’s sales revenue if the concentration has the potential to exclude or limit competition. The fine could be up to RMB5 million if the concentration has no effect of excluding or limiting competition. The law also mandates that relevant authorities order operators to report concentration, even below the filing threshold, if there is evidence of potential anti-competitive harm. On March 10, 2023, the SAMR issued four implementing rules to provide further clarity on the new Anti-Monopoly Law. These rules include provisions for curbing abuse of administrative power, prohibiting monopoly agreements, preventing abuse of market dominance, and reviewing undertakings’ concentration.

In 2021 and 2022, the SAMR issued three administrative penalties on Weimeng Chuangke regarding alleged illegal concentration of business operators under the Anti-Monopoly Law, each of which resulted in a fine of RMB500,000 for concentration of business operators without prior filing pursuant to the Anti-Monopoly Law. Weimeng Chuangke has timely paid the fines as required. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—Any failure or perceived failure by us to comply with the Anti-Monopoly Guidelines for Internet Platforms Economy Sector and other PRC anti-monopoly laws and regulations may result in governmental investigations or enforcement actions, litigation or claims against us and could have an adverse effect on our business, financial condition and results of operations.”

Regulations on Internet Finance

In July 2015, ten PRC regulatory agencies, including the People’s Bank of China, or the PBOC, the MIIT and the China Banking Regulatory Commission, which was re-organized into the CBIRC in March 2018, jointly issued the Guidelines on Promoting the Healthy Development of Internet Finance, or the Guidelines. The Guidelines call for active government support for China’s internet finance industry, including the online peer-to-peer lending service industry, and clarify the division of responsibility among regulatory agencies. The Guidelines specify that the CBIRC will have primary regulatory responsibility for the online peer-to-peer lending service industry in China and state that online peer-to-peer lending service providers shall act as an intermediary platform to provide information exchange, matching, credit assessment and other intermediary services, and must not provide credit enhancement services and/or engage in illegal fund-raising. The Guidelines provide additional requirements for China’s internet finance industry, including the use of custodial accounts with qualified banks to hold customer funds as well as information disclosure requirements.

In August 2016, four PRC regulatory agencies, including the CBIRC, the MIIT, the MPS and Cyberspace Administration of China, published the Interim Measures for the Administration of Business Activities of Online Lending Information Intermediaries, or the Interim Measures. The Interim Measures define online lending intermediaries as the financial information intermediaries that are engaged in online peer-to-peer lending information business and provide lenders and borrowers with lending information services, such as information collection and publication, credit rating, information interaction and loan facilitation. Consistent with the Guidelines, the Interim Measures prohibit online lending intermediaries from providing credit enhancement services and collecting funds directly or indirectly, and require, among others, (i) that online lending intermediaries intending to provide online lending information agency services, and their subsidiaries and branches, must make relevant record-filing with local financial regulatory authorities with which they are registered after obtaining the business license; (ii) that online lending intermediaries operating telecommunication services must apply for relevant telecommunication service licenses after the completion of the record-filing and registration with the local financial regulatory authority; and (iii) that online lending intermediaries must materially specify the online lending information intermediary in their business scopes.

In October 2016, the CBIRC, the MIIT and the SAIC jointly published the Guidelines on the Administration of Record-filings of Online Lending Information Intermediary Agencies, or the Record-filings Guidelines, to establish and improve the record-filing mechanisms for online lending intermediaries. According to the Record-filings Guidelines, a newly established online lending intermediary shall make the record-filings with the local financial regulatory authority after obtaining the business license; while with respect to any online lending intermediary which is established and begins to conduct the business prior to the publication of this Record-filings Guidelines, the local financial regulatory authority shall, pursuant to relevant arrangement of specific rectification work for risks in online peer-to-peer lending, accept the application for record-filings submitted by a qualified online lending intermediary, or any online lending intermediary which has completed the rectification confirmed by relevant authorities.

In August 2017, the General Office of the CBIRC released the Guidelines on Information Disclosure of Business Activities of Online Lending Information Intermediaries, or the information disclosure guidelines. Consistent with the Interim Measures, the information disclosure guidelines emphasize the information disclosure requirement by an online lending intermediary and further, stipulate the details of the frequency and scope of such information disclosure. Any violation of the information disclosure guidelines by an online lending intermediary may subject it to certain penalties under the Interim Measures. In addition, the information disclosure guidelines require online lending intermediaries that do not fully comply with the information disclosure guidelines in conducting their business to rectify the relevant activities within six months after the release of the information disclosure guidelines.

On March 28, 2018, the Office of the Leading Group for the Special Rectification of Internet Financial Risks issued the Notice on Strengthening the Remediation of Asset Management Business through the Internet and Carrying out Acceptance Work. Under such notice, asset management companies that have obtained the qualification for sales of asset management products shall only engage in public fund-raising from the sales of asset management products, and shall not participate in the “targeted entrustment plan,” “targeted financing plan,” “financial management plan,” “asset management plan,” or “transfer of income rights,” relying on the Internet to issue and sell asset management products for public fundraising without permission.

In March 2019, the Beijing Internet Finance Industry Association (the “Association”) issued a Notice on the Launch of the Citywide Inspection Action and the Risk Reminder Letter on the Enterprises Providing Diversion Services to Non-Licensed Lending Institutions. This notice and letter summarized the findings of the Association’s investigation into the online “Cash Loan” business. The Association had discovered that numerous internet and social media platforms, not licensed as lending institutions, are nevertheless engaging in unlicensed “Cash Loan” or “Excess-interest Loan” business via diversion practices undertaken in partnership with licensed lenders. The Association ordered relevant enterprises to terminate all such selling of “Cash Loan” products provided by partner institutions immediately, and save all historical data in that connection to further support the Association’s work. In the event of enforcement action taken in this regard by relevant authorities, we may be required to terminate certain of our loan facilitation business services, which could have a material adverse effect on our business.

On September 7, 2020, the Notice of General Office of the China Banking and Insurance Regulatory Commission on Strengthening the Supervision and Administration of Microlending Companies was promulgated. Under this regulation, lending entities should adhere to the principle of petty sum and decentralization. Following such principle, microlending companies shall reasonably determine the amount and term of loans based on the income level, overall liabilities, asset status, actual needs and other factors of borrowers, so as to ensure that the repayment amount of the borrowers does not exceed their repayment capacity. The balance of the loans provided by a microlending company to the same borrower shall not exceed 10% of the company’s net assets; and the balance of the loans provided by a microlending company to the same borrower and its affiliated parties shall not exceed 15% of the company’s net assets. Local financial regulatory authorities may, in light of regulatory needs, lower the maximum balance of the aforesaid loans.

On December 29, 2020, the Reply by Supreme People’s Court to Issues Concerning the Scope of Application of the New Judicial Interpretation on Private Lending was issued. Under this regulation, upon the matter of the scope of private lending, after soliciting the opinions of financial regulatory authorities, seven types of local financial organizations, including loan companies, financing guarantee companies, regional equity markets, pawnshops, financing lease companies, commercial factoring companies and local asset management companies under the regulation of local financial regulatory authorities, are considered to be “financial institutions established upon approval by financial regulatory authorities.” The new judicial interpretation on private lending is not applicable to the institution mentioned above in respect of disputes arising from their engagement in relevant financial businesses.

On February 19, 2021, the Notice of General Office of the China Banking and Insurance Regulatory Commission on Further Regulating the Internet Lending Business of Commercial Banks was issued. Under this regulation, if a commercial bank and a cooperative agency jointly contribute to the issuance of Internet loans, (i) management requirements for the range of capital contribution proportion shall be strictly implemented, (ii) the capital contribution proportion of the cooperative party in a single loan shall not be less than 30%, and (iii) the bank’s balance of loans granted with a single cooperative party (including its affiliated parties) shall not exceed 25% of the net tier 1 capital of the bank. The balance of Internet loans jointly issued by a commercial bank and a cooperative agency shall not exceed 50% of the bank’s balance of total loans granted by the bank. Also, this regulation imposes strict control over cross-regional operations. A local corporate bank that engages in Internet lending business shall provide services for local clients and shall not carry out Internet lending business beyond the jurisdiction of its registration place. However, a corporate bank that has no physical business outlets, mainly carries out its business online, and meets other conditions prescribed by the CBIRC is excluded.

On March 12, 2021, the PBOC issued the Announcement of the People's Bank of China [2021] No. 3 ("No. 3 Announcement"). Under this No. 3 Announcement, all loan products shall explicitly indicate their annualized loan interest rate by displaying to the borrower in a conspicuous manner when marketing it through any website, mobile application, poster or any other channel, as well as state such annualized interest rate in the loan contract executed, and all loan products may also have information such as the daily interest rate or the monthly interest rate displayed at the same time, provided that it is not in a manner more conspicuous than the annualized interest rate.

On January 13, 2021, the CBIRC and the PBOC issued the Circular of the General Office of the China Banking and Insurance Regulatory Commission and the General Office of the People's Bank of China on Matters Relating to Regulating the Personal Deposit Business Conducted by Commercial Banks through the Internet. Under such circular, commercial banks are prohibited to conduct time deposit or time-demand optional deposit business through any non-self-operating online platform, including but not limited to, providing such services as marketing publicity, product display, information transmission, purchase access, and interest subsidy through a non-self-operated online platform.

On September 27, 2021, the PBOC issued the Credit Reporting Measures, which took effect on January 1, 2022. The Credit Reporting Measures prohibit financial institutions from carrying out commercial cooperation with market institutions that have not obtained the qualifications for credit reporting business in accessing credit information.

To comply with these laws and regulations on internet finance service, we have made relevant adjustments to the services available through Weibo wallet from time to time over the past several years. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—We may face certain risks related to financial products available on our Weibo wallet."

Regulations on Online Game Operations and Cultural Products

Online Cultural Products

The Provisional Regulations for the Administration of Online Culture, issued by the Ministry of Culture in 2003 and further revised in 2004, 2011 and 2017, apply to entities engaging in activities related to "internet cultural products," which include cultural products that are produced specifically for internet use, such as online music and entertainment, online games, online plays, online performances, online works of art and Web animation, and other online cultural products that through technical means, produce or reproduce music, entertainment, games, plays and other art works for internet dissemination. According to these Regulations, commercial entities are required to apply to the relevant local branch of the Ministry of Culture for an Online Culture Operating Permit if they engage in the production, duplication, importation, release or broadcasting of internet cultural products; the dissemination of online cultural products on the internet or the transmission of such products via internet or mobile phone networks to user terminals, such as computers, phones, television sets and gaming consoles, or internet surfing service sites such as internet cafes; or the holding or exhibition of contests related to internet cultural products.

The Administrative Measures for Content Self-review by Internet Culture Business Entities, which were issued by the Ministry of Culture on August 12, 2013, and took effect on December 1, 2013, require internet culture business entities to review the content of products and services before providing them to the public. The content management system of an internet culture business entity is required to specify the responsibilities, standards and processes for content review as well as accountability measures, and is required be filed with the local provincial branch of the Ministry of Culture.

Weimeng currently holds an Online Culture Operating License issued by the Beijing Municipal Bureau of Culture and Tourism on October 20, 2020 and valid through December 30, 2023.

Internet Publication

The Rules for the Administration of Electronic Publications, which were issued by the General Administration of Press and Publication in 2008 and further amended in 2015, regulate the production, publishing and importation of electronic publications in the PRC and outline a licensing system for business operations involving electronic publishing. Under these rules and other regulations issued by the General Administration of Press and Publication, online games are classified as a type of electronic production and publishing of online games is required to be done by licensed electronic publishing entities with standard publication codes. If a PRC company is contractually authorized to publish foreign electronic publications, it must obtain the approval of, and register the copyright license contract with, the State Administration for Press, Publication, Radio, Film and Television, which was formed when the General Administration of Press and Publication was combined with the State Administration for Radio, Film and Television in March 2013.

The Administrative Provisions on Online Publishing Services, or the Provisions, which were jointly issued by the MIIT and the State General Administration of Press, Publication, Radio, Film and Television in 2016, and took effect on March 10, 2016. The Provisions define “online publishing services” as providing online publications to the public through information networks. Any online publishing services provided in the territory of the PRC is subject to the Provisions. The Provisions requires any internet publishing services provider to obtain an online publishing service license to engage in online publishing services. Under the Provisions, online publications refer to digital works which have publishing features such as having been edited, produced or processed and which are made available to the public through information networks, including written works, pictures, maps, games, cartoons, audio/video reading materials and others. Any online game shall obtain approval from the relevant regulator before it is launched online. According to the Negative List, foreign investment is prohibited from entering into the publishing service industry.

Online Games

The Notice Regarding the Consistent Implementation of the “Stipulations on ‘Three Provisions’ of the State Council and the Relevant Interpretations of the State Commission Office for Public Sector Reform and the Further Strengthening of the Administration of Pre-examination and Approval of Internet Games and the Examination and Approval of Imported Internet Games,” also known as Circular 13, was jointly published by the General Administration of Press and Publication, the National Copyright Administration and the National Office of Combating Pornography and Illegal Publications in 2009. Circular 13 expressly states that foreign investors are not permitted to participate in the operation of online games via wholly owned, equity joint venture or cooperative joint venture investments in China, and from controlling and participating in such businesses directly or indirectly through contractual or technical support arrangements. In addition, according to Circular 13, the approval of the General Administration of Press and Publication is required for publishing any imported online games. Although Circular 13 was issued several years ago, it is not yet clear what impact, if any, it will have on the operation of online games in China.

According to the Interim Administrative Measures for Internet Games, issued by the Ministry of Culture on June 3, 2010 and last amended on December 15, 2017, any entity engaging in online game operations must obtain an Online Culture Operating License. On July 10, 2019, this measure was abolished by the Ministry of Culture and Tourism. As a result, the Ministry of Culture and Tourism is no longer responsible for regulating the online game industry in China and has ceased to grant or renew any Online Culture Operating License relating to game operations. The issued Online Culture Operating License relating to game operations, however, will remain valid until each of their original expiration dates.

On August 30, 2021, the NPPA issued the Notice on Further Strict Management to Prevent Minors from Indulging in Online Games, which requires all online game operators to provide services to minors only on any Friday, Saturday, Sunday and statutory holidays from 8:00 p.m. to 9:00 p.m., i.e. for one hour, and not to provide online games in any form to users who have not registered or logged in with their real names. In addition to the real-name registration system already in place, we have adjusted the systems in the games operated by us to comply with the requirements under this notice.

Virtual Currency

The Notice on the Reinforcement of the Administration of Internet Cafes and Online Games, jointly issued by the Ministry of Culture, the People’s Bank of China and other government authorities in 2007, directs the People’s Bank of China to strengthen the administration of virtual currency in online games to avoid any adverse impact on the real economic and financial systems. This notice provides that the total amount of virtual currency issued by online game operators and the amount purchased by individual users should be strictly limited, with a strict and clear division between virtual transactions and real e-commerce transactions. This notice also provides that virtual currency should only be used to purchase virtual items.

The Notice on the Strengthening of Administration on Online Game Virtual Currency, jointly issued by the Ministry of Culture and the Ministry of Commerce in 2009, broadly defined virtual currency as a type of virtual exchange instrument issued by internet game operation enterprises, purchased directly or indirectly by the game user by exchanging legal currency at a certain exchange rate, saved outside the game programs, stored in servers provided by the internet game operation enterprises in electronic record format and represented by specific numeric units. Virtual currency is used to exchange internet game services provided by the issuing enterprise for a designated extent and time, and is represented by several forms, such as online prepaid game cards, prepaid amounts or internet game points, and does not include game props obtained from playing online games. In 2009, the Ministry of Culture further promulgated the Filing Guidelines on Online Game Virtual Currency Issuing Enterprises and Online Game Virtual Currency Trading Enterprises, which specifically defines “issuing enterprise” and “trading enterprise” and stipulates that a single enterprise may not operate both types of business.

Protection of Minors

In 2007, the General Administration of Press and Publication and several other governmental authorities issued a circular requiring the implementation of an “anti-fatigue system” and a real-name registration system by all PRC online game operators, in an effort to curb addictive online game play behaviors of minors. Under the anti-fatigue system, three hours or less of continuous play by minors is considered to be “healthy,” three to five hours to be “fatiguing,” and five hours or more to be “unhealthy.” Game operators are required to reduce the value of in-game benefits to a game player by half if the game player has reached “fatiguing” level, and to zero in the case of “unhealthy” level.

The Notice on Initializing the Verification of Real-name Registration for Anti-Fatigue System on Internet Games, issued by the General Administration of Press and Publication, the MIIT, the Ministry of Education and five other governmental authorities in 2011, imposes stringent penalties on online game operators that do not implement the required anti-fatigue and real-name registration measures properly and effectively. Its main focus is to prevent minors from using an adult ID to play internet games. The operation of an online game may be terminated if the operator is found to be in violation of this notice.

The Implementation of Online Game Monitoring System of the Guardians of Minors, a circular jointly issued by the Ministry of Culture, the MIIT and six other central government authorities in 2011, aimed to provide specific protective measures to monitor the online game activities of minors and curb addictive online game play behavior by minors. Under this circular, online game operators are required to adopt various measures to maintain a system to communicate with the parents or other guardians of minors playing online games and online game operators are required to monitor the online game activities of minors, and must suspend the account of a minor if so requested by the minor’s parents or guardians. The monitoring system was formally implemented on March 1, 2011.

The Work Plan for the Integrated Prevention of Minors’ Online Game Addiction, jointly issued by the General Administration of Press and Publication, the Ministry of Education, the Ministry of Culture, the MIIT and 11 other PRC government authorities on February 5, 2013, implemented integrated measures by different authorities to prevent minors from becoming addicted to online games. Under the work plan, the current relevant regulations regarding online games will be further clarified and additional implementation rules will be issued, and as a result, online game operators will be required to implement additional measures to protect minors.

On October 25, 2019, the General Administration of Press and Publication issued the Notice on Preventing Minor’s Addiction to Online Games, which requires all online game players to register accounts with their valid identity information and all game companies to stop providing game services to users who fail to do so. Furthermore, minors are prohibited from playing games exceeding a certain period of time per day or putting money into their accounts exceeding a certain amount.

On October 17, 2020, the Standing Committee of the National People’s Congress revised and promulgated the Law of the PRC on the Protection of Minors (2020 Revision), which took effect on June 1, 2021. Law of the PRC on the Protection of Minors (2020 Revision) added a new section entitled “Online Protections” which stipulates a series of provisions to further protect minors’ interests on the internet, among others, (i) online product and service providers are prohibited from providing minors with products and services that would induce minors to indulge, (ii) online service providers for products and services such as gaming, live streaming, audio-video, and social networking are required to establish special management systems of user duration, access authority and consumption for minors, (iii) online gaming service providers must request minors to register and log into online games with their valid identity information, (iv) online gaming service providers must categorize games according to relevant rules and standards, notify users about the appropriate ages for the players of the games, and take technical measures to keep minors from accessing inappropriate games or gaming functions, and (v) online gaming service providers may not provide online game services to minors from 10:00 P.M. to 8:00 A.M. the next day.

On May 7, 2022, CAC, together with three other authorities, jointly issued the Opinions on Regulating Live Streaming Rewards and Strengthening Minor Protections, or the Live Streaming Opinions, which iterates the requirements for live streaming platforms in respect of strengthening real-name registration, prohibiting minors from virtual gifting and restrictions on providing live streamer services to minors. Pursuant to the Live Streaming Opinions, online platforms are prohibited from ranking, introducing or recommending live streaming performers solely by the monetary amount of virtual gifts that they have received from users, nor could the platforms rank users based on the monetary amount of virtual gifts that they have sent to live streaming performers. Any such rankings currently available on these online platforms is ordered to be removed by June 7, 2022 according to the Live Streaming Opinions. In addition, the online platforms shall procure that, during the peak hours (from 8.00 p.m. to 10.00 p.m.) every day, each live streaming performer shall not engage in “PKs” (i.e., a real-time interactive competitive game between two performers) against another performer for more than twice, and the online platforms shall not impose penalty within the game or provide any technical support to facilitate imposing such penalty.

Weimeng has been actively communicating with the relevant government authority for the application of an internet publishing permit. We have adopted our own anti-fatigue and real name registration systems.

Regulations on Broadcasting Audio/Video Programs through the Internet

On December 20, 2007, the State Administration for Radio, Film and Television and the MIIT jointly issued the Rules for the Administration of Internet Audio and Video Program Services, commonly known as Circular 56, which came into effect as of January 31, 2008 and was later amended in 2015. Circular 56 reiterates the requirement set forth in the earlier rules that online audio/video service providers must obtain an internet audio/video program transmission license from the State Administration for Radio, Film and Television. Furthermore, Circular 56 requires all online audio/video service providers to be either wholly state-owned or state-controlled companies. According to relevant official answers to press questions published on the website of State Administration for Radio, Film and Television on February 3, 2008, officials from the State Administration for Radio, Film and Television and the MIIT clarified that online audio/video service providers that already had been operating lawfully prior to the issuance of Circular 56 may re-register and continue to operate without becoming state-owned or controlled, provided that such providers have not engaged in any unlawful activities. This exemption will not be granted to online audio/video service providers established after Circular 56 was issued. These policies have been reflected in the Application Procedure for Audio/Video Program Transmission License. Failure to obtain the internet audio/video program transmission license may subject an online audio/video service provider to various penalties, including fines of up to RMB30,000, seizure of related equipment and servers used primarily for such activities and even suspension of its online audio/video services.

On December 16, 2016, the State Administration of Press, Publication, Radio, Film and Television of the PRC (SAPPRFT) issued the Rules for the Administration of Video and Audio Programs on Weibo, WeChat and other Social Media Platforms, or Circular 196. Circular 196 requires that any organizations that provide online streaming through social media platforms such as Weibo or WeChat should obtain an internet audio/video program transmission license. For organizations and individuals that do not hold license, the hosting social networking platform shall be responsible for supervising the content of the posted programs, and the scope of the programs must not exceed the scope stated on the platform's audio/video program transmission license. Similarly, film and TV dramas broadcasted through social media are required to obtain a license for public airing, and social media platforms are not allowed to repost user-generated video or audio programs featuring political news.

On November 18, 2019, the CAC, the Ministry of Culture and Tourism and the NRTA, jointly issued the Administrative Provisions on Online Audio-Visual Information Services, effective from January 1, 2020, which provides that online audio-visual information service providers are the principals responsible for information content security management, and should, among other things, establish and improve their internal policies in relation to user registration, scrutiny of information publication, and information safety management. Organizations and individuals are prohibited from using online audio-visual information services and related information technology to carry out illegal activities and infringe legal rights and interests of others. The Provisions further set out requirements for utilization of new applications driven by new technology (such as deep learning and virtual reality) to produce, publish and disseminate audio-visual information, for example, audio-visual information service providers are required to conduct safety evaluation, identify and label fraudulent audio-visual information, and to defeat rumors, false news and content violating user agreements.

Regulations on Producing Audio/Video Programs

On July 19, 2004, the SARFT promulgated the Administrative Measures on the Production and Operation of Radio and Television Programs, effective as of August 20, 2004 and amended in 2015, 2018 and 2020. These Measures provide that anyone who wishes to produce or operate radio or television programs must first obtain an operating permit. Applicants for this permit must meet several criteria, including having a minimum registered capital of RMB3.0 million. Weimeng holds a permit for radio and television program production and operation, with a permitted scope of production and distribution of radio and television programs (excluding political news and similar topics and columns), valid through June 30, 2024.

On January 9, 2019, China Network Audio-Visual Program Service Association issued the Detailed Rules for Reviewing Network Short Video Contents, which was amended on December 15, 2021 and sets out 100 types of contents that are restricted from short-video programs.

Regulations on Online Live-streaming Services

On November 4, 2016, the CAC promulgated the Regulations on the Administration of Online Live-streaming Services, or the Online Live-streaming Regulations, which became effective on December 1, 2016.

The Online Live-streaming Regulations provides that online live-streaming service providers and distributors must legally obtain the qualification for internet news information services before providing such services on the internet, and engage in online news information services to the licensed extent. Online live-streaming service providers must review all live internet news information and interactions before publishing them, and set up their “chief editor” position if they provide live-streaming services of internet news information. The Online Live-streaming Regulations also stipulate that online live-streaming service providers must carry out their subject responsibility, arrange professionals commensurate with its service size, establish and improve various management systems, and have the technical capability to immediately cut online live-streaming, and its technical plans shall comply with relevant national standards. In addition, online live-streaming service providers must conduct graded and categorized management according to the content category and user scale of online live-streaming, and establish a credit rating management system for online live-streaming distributors as well as a blacklist management system.

On December 2, 2016, the Ministry of Culture issued the Administrative Measures for Business Activities of Online Performances, which took effect on January 1, 2017, and provide that the online performances must not involve six types of content, such as “those infringing upon others’ legitimate rights and interests by taking candid photographs or using a hidden recorder.” Entities engaging in online performances must require and verify the registration of performers with their own valid IDs and real names.

Moreover, the Measures stress that entities engaging in online performances must improve their own user registration systems, maintain the information provided by users for registration, and take active actions to safeguard the safety of users’ information.

On August 1, 2018, the CAC and the other five PRC governmental authorities jointly issued the Circular on Tightening the Administration of Online Live-streaming Services, or the Online Live-streaming Services Circular, which specifies respective duties of online live-streaming service providers, network access service providers and application stores, aiming to prompt relevant internet-based enterprises to fulfill their responsibilities. The Online Live-streaming Services Circular provides that an online live-streaming service provider must make a record filing with the competent telecommunications authority as an internet content provider (ICP). Online live-streaming service providers are also required to apply for a permit with the local authorities if it engages in telecommunications business, live streaming business for internet news information, online performance, and/or online visual-audio programs. Online live-streaming service providers must make record filings with the local public security authorities within 30 days after live-streaming services have been published on the internet. In addition, online live-streaming service providers are required to implement real name verification system for users, intensify administration of online anchors, establish blacklist system for online anchors, optimize the system of watching and censoring livestreamed content for regulatory purposes, and improve measures to better respond to harmful content.

On November 6, 2020, the SAMR issued the Guidelines on Strengthening Supervision of Online Live Streaming Marketing Activities, pursuant to which a network platform will assume the responsibility and obligation as an e-commerce platform operator according to the E-Commerce Law, provided that this platform provides operators, who sell goods or provide services via internet live streaming, with services such as internet operation place, transaction matchmaking and information publication in order for the transaction parties to independently complete their transaction activities.

On November 12, 2020, the NRTA issued the Notice on Strengthening the Management of Online Show Live Streaming and E-commerce Live Streaming, pursuant to which live streaming platforms for online shows are requested to strengthen positive value guidance and enable those tasteful, meaningful, interesting and warm live streaming programs to have good traffic, and to prevent the spread of the trends of wealth flaunting, money worshiping and vulgarity. Notice 78 requests the live streaming platforms for online shows and e-commerce to register in the National Internet Audio-Visual Platforms Information Management System, and we have completed such registration as requested, which is valid until September 25, 2022 and is subject to annual renewal. In addition, the number of content reviewers a platform is required to keep must in principle be no less than 1:50 of the number of live streaming rooms. Live streaming platforms for online shows need to manage the hosts and users making virtual gifting based on the real-name registration system, and users who have not registered with real names or who are minors are prohibited from virtual gifting. The live streaming platforms are required to implement real-name registration system by real-name verification, face recognition, manual review and other measures to prevent minors from virtual gifting. The platform shall limit the maximum amount of rewards each user may give per time, day and month. Live streaming platforms for e-commerce shall not illegally produce and broadcast, beyond their business scope of e-commerce, any commentary programs unrelated to sales of goods.

According to the Law of the PRC on the Protection of Minors (2020 Revision), which took effect on June 1, 2021, among others, live streaming service providers are not allowed to provide minors under age 16 with online live streaming publisher account registration service, and must obtain the consent from parents or guardians and verify the identity of the minors before allowing minors aged 16 or above to register live streaming publisher accounts.

On October 8, 2021, the National Development and Reform Commission issued a discussion draft of the Negative List for Market Access (2021 Version), which provides that, among others, non-state-capitalized entities shall not engage in live streaming of political, economic, military, diplomatic, major social, cultural, scientific and technological, health, education, sports and other activities and events related to political direction, public opinion orientation and value orientation. The scope of live streaming business under this list is relatively broad and vague, and is subject to further clarifications and interpretations by the regulator.

On March 25, 2022, the CAC, the SAT and the SAMR jointly issued the Opinions on Further Regulating the For-Profit Activities in Online Live Streaming to Promote a Healthy Development of the Industry, which require, among other things, live streaming platforms to strictly comply with relevant laws and regulations and the principle of real-name verification at the back end and voluntary registration at the front end. Live streaming publishers must be authenticated and registered based on their identity card information and unified social credit codes. Live streaming platforms must report relevant information to the local provincial-level cyberspace administration and the competent tax authority every six months, including the identity information, remuneration account, type of revenue, and profit-earning details of live streaming publishers.

Regulations on Online Music

On November 20, 2006, the Ministry of Culture issued Several Suggestions of the Ministry of Culture on the Development and Administration of Internet Music, which became effective immediately upon its issuance. These suggestions, among other things, reiterate the requirement for an internet service provider to obtain an internet culture business permit to carry out any business relating to internet music products. In addition, foreign investors are prohibited from operating internet culture businesses. However, the laws and regulations on internet music products are still evolving, and there have not been any provisions stipulating whether or how music videos will be regulated by these suggestions.

On August 18, 2009, the Ministry of Culture promulgated the Notice on Strengthening and Improving the Content Review of Online Music. According to this notice, only “internet culture operating entities” approved by the Ministry of Culture may engage in the production, release, dissemination (including providing direct links to music products) and importation of online music products. On October 23, 2015, the Ministry of Culture promulgated the Circular on Further Strengthening and Improving the Administration of Content of Online Music, which became effective on January 1, 2016. According to the Circular, the content of online music shall be reviewed by or filed with the Ministry of Culture. Internet culture operating entities should establish a strict self-monitoring system of online music content and set up a special department in charge of such monitoring. Weimeng has obtained an Online Culture Operating Permit, the scope of which covers online music operations.

Regulations on Internet News Dissemination

On April 28, 2015, the CAC issued the Provisions on the Questioning Procedures for Internet News Service Providers, or the Provisions. The Provisions provide the CAC and its local branches with a formal procedure for bringing in key personnel from internet news service providers for questioning as well as giving oral warnings, identifying problems and ordering rectifications in certain circumstances specified in the Provisions such as the failure to deal with illegitimate information in a timely fashion and when circumstances are severe. If the CAC or its local branches orders an internet news service provider to rectify a problem through the questioning procedures and it fails to do so, then the internet news service provider may be subject to administrative action including a written warning, fine, temporary suspension of operations or the revocation of licenses. Internet news service providers are also subject to enhanced penalties for several violations under the questioning procedures. Additionally, the CAC and its local branches may publicize information related to the questioning procedures that it conducted against internet news service providers under the Provisions. The Provisions took effect on June 1, 2015.

On May 2, 2017, the CAC issued the Administrative Provisions for Internet News Information Services, or the New Provisions, which became effective on June 1, 2017. The New Provisions replace the Provisions for the Administration of Internet News Information Services promulgated by the SCIO and the MII in 2005, and are intended to help solidify the CAC’s jurisdiction over internet news information services. The New Provisions require that internet websites, apps, forums, blogs, microblogs, official accounts, instant messaging tools, network-based broadcasts and other similar means that provide internet news information services obtain a permit for internet news information services. The New Provisions also broaden the scope of internet news information services to include (i) services of collecting, editing, and releasing internet news information; (ii) reposting such news information; and (iii) providing a platform to spread such news information. To apply for such a permit, the applicant must satisfy requirements set forth under the New Provisions, such as that it be a legal entity established in China and that its principal or chief editor be a Chinese citizen. In addition, all internet news providers are explicitly required to review and self-censor the content published by them and to take measures to cease transmission and remove content if inappropriate content is discovered, as well as maintain relevant records and report such matters to the competent regulators.

On October 8, 2021, the National Development and Reform Commission issued a discussion draft of the Negative List for Market Access (2021 Version), which provides that, among others, non-state-capitalized entities shall not conduct the business of news collecting, editing, releasing and reporting. Weibo does not collect, edit, release or report news by itself. Weibo holds an Internet News and Information Service License, which allows it to provide the service of reposting news information and operating a platform to disseminate news information.

Weimeng provides a platform for our users to post news, current topics and social events and it has obtained an Internet News Publication License on July 30, 2022 for providing news republishing and broadcasting platform services, which is valid through July 29, 2025.

Internet Mapping Services

Under the Surveying and Mapping Law promulgated by the National People's Congress in 1992 and amended in 2002 and 2017, entities engaged in surveying and mapping services should obtain a surveying and mapping qualification certificate and comply with the state's surveying and mapping criteria. According to the amended Administrative Rules of Surveying Qualification Certificate and the amended Standard for Surveying Qualification Certificate issued by the former National Administration of Surveying, Mapping and Geo-information, or NASMG in 2021, respectively, non-surveying and mapping enterprise is subject to the approval of the NASMG and requires a surveying and mapping qualification certificate to provide internet mapping services.

On November 26, 2015, the State Council enacted the Administrative Regulations on Maps, or the Maps Regulations, effective as of January 1, 2016. The Maps Regulations requires entities engaging in internet mapping services, such as geographic positioning, the uploading of geographic information or markings, and the development of a public map database, to obtain a relevant qualification certificate for surveying and mapping. The Maps Regulations require entities engaging in online map services to use mapping data approved by the relevant governmental authorities, host servers storing map data within the PRC, and establish a management system as well as protection measures for the data security of the online maps. The mapping data must not contain any content prohibited by the Maps Regulations, and no entities or individuals are allowed to upload or mark such prohibited content online. Further, entities engaging in internet mapping services shall keep confidential any information involving state secrets and trade secrets acquired during their work.

Weimeng holds a surveying and mapping qualification certificate (Class B) issued by Beijing Municipal Commission of Planning and Natural Resources, valid through October 11, 2026.

Regulations on Internet Drug Information Services

According to the Provisions on the Administration of Internet Drug Information Services, promulgated by the State Food and Drug Administration and most recently amended in November 2017, an enterprise publishing drug-related information must obtain a qualification certificate from the provincial-level food and drug administration before it applies for the ICP license or files with the MIIT or its local provincial-level counterpart. An ICP service operator that provides information regarding drugs or medical devices must obtain an Internet Drug Information Service Qualification Certificate from the applicable provincial level administrative authority. We have completed the filing for the drug-related information available on our platform, including information from those using our platform to promote their products and services and drug-related information shared on our platform.

Regulations on Intellectual Property Rights

China has adopted legislation governing intellectual property rights, including trademarks, patents and copyrights. China is a signatory to the major international conventions on intellectual property rights and became a member of the Agreement on Trade Related Aspects of Intellectual Property Rights upon its accession to the World Trade Organization in December 2001.

Patent. The Patent Law was adopted in 1984 and amended in 1992, 2000, 2008 and 2020. The amended version in 2020 came into effect on June 1, 2021. The purpose of the Patent Law is to protect lawful interests of patent holders, encourage invention, foster applications of invention, enhance innovative capabilities and promote the development of science and technology. To be patentable, invention or utility models must meet three conditions: novelty, inventiveness and practical applicability. Patents cannot be granted for scientific discoveries, rules and methods for intellectual activities, methods used to diagnose or treat diseases, animal and plant breeds, nuclear transformation method and substances obtained by the method of nuclear transformation or a design which has major marking effect on the patterns or colors of graphic print products or a combination of both patterns and colors. The Patent Office under the State Intellectual Property Office is responsible for receiving, examining and approving patent applications. A patent is valid for a term of twenty years in the case of an invention and a term of ten years in the case of utility models and a term of fifteen years in the case of designs. A third-party user must obtain consent or a proper license from the patent owner to use the patent. Otherwise, the use constitutes an infringement of patent rights.

We have registered 258 patents and applied for 62 patents with the PRC State Intellectual Property Office as of December 31, 2022.

Copyright. The Copyright Law was adopted in 1990 and amended in 2001, 2010 and 2020. The amended version in 2020 came into effect on June 1, 2021. The amended Copyright Law extends copyright protection to internet activities, products disseminated over the internet and software products. In addition, there is a voluntary registration system administered by the China Copyright Protection Center. The amended Copyright Law also requires registration of a copyright pledge.

According to the Copyright Law, an infringer will be subject to various civil liabilities, which include stopping the infringement, eliminating the damages, apologizing to the copyright owners and compensating the losses of copyright owners. The Copyright Law further provides that the infringer must compensate the actual loss suffered by the copyright owner. If the actual loss of the copyright owner is difficult to calculate, the illegal income received by the infringer as a result of the infringement will be deemed as the actual loss or if such illegal income is also difficult to calculate, the court can decide the amount of the actual loss up to RMB5,000,000.

To address the problem of copyright infringement related to the content posted or transmitted over the internet, the National Copyright Administration and the MIIT jointly promulgated the Measures for Administrative Protection of Copyright Related to the Internet in 2005.


The Protection of the Right of Communication through Information Networks was promulgated by the State Council in 2006 and amended in 2013. Under this regulation, with respect to any information storage space, search or link services provided by an internet service provider, if the legitimate right owner believes that the works, performance or audio or video recordings pertaining to that service infringe his or her rights of communication, the right owner may give the internet service provider a written notice containing the relevant information along with preliminary materials proving that an infringement has occurred, and requesting that the internet service provider delete, or disconnect the links to, such works or recordings. The right owner will be responsible for the truthfulness of the content of the notice. Upon receipt of the notice, the internet service provider must delete or disconnect the links to the infringing content immediately and forward the notice to the user that provided the infringing works or recordings. If the written notice cannot be sent to the user due to the unknown IP address, the contents of the notice shall be publicized via information networks. If the user believes that the subject works or recordings have not infringed others' rights, the user may submit to the internet service provider a written explanation with preliminary materials proving non-infringement, and a request for the restoration of the deleted works or recordings. The internet service provider should then immediately restore the deleted or disconnected content and forward the user's written statement to the right owner.

Under the Civil Code of the PRC effective from January 1, 2021, both internet users and internet service providers may be liable for the wrongful acts of users who infringe the lawful rights of other parties. If an internet user utilizes internet services to commit a tortious act, the party whose rights are infringed may request the internet service provider to take measures, such as removing or blocking the content, or disabling the links thereto, to prevent or stop the infringement. If the internet service provider does not take necessary measures after receiving such notice, it shall be jointly liable for any further damages suffered by the rights holder. Furthermore, if an internet service provider fails to take necessary measures when it knows that an internet user utilizes its internet services to infringe the lawful rights and interests of other parties, it shall be jointly liable with the internet user for damages resulting from the infringement.

To address issues related to the hearing of civil disputes concerning the infringement of the right of communication through information networks, the PRC Supreme People's Court issued the Provisions on Several Issues Concerning the Application of Law in Hearings of Civil Dispute Cases on the Infringement of Information Networking Transmission Rights, which took effect as of January 1, 2013 and was amended in 2020. This document provides more detailed guidance as to the circumstances in which the provision by network users or network service providers of other's works, performances, and audio or video products without permission from the rights owner constitutes infringement of information network transmission rights. This document provides that internet service providers will be jointly liable if they assist in infringing activities or fail to remove infringing content from their websites once they know of the infringement or receive notice from the rights holder. This document also provides that where a network service provider obtains economic advantage directly from the works, performances, and sound or visual recordings provided by the network service provider, it must pay close attention to infringement of network information transmission rights by network users.

In order to further implement the Computer Software Protection Regulations promulgated by the State Council on December 20, 2001 and amended on January 30, 2013, the National Copyright Administration of the PRC issued Computer Software Copyright Registration Procedures on February 20, 2002, which apply to software copyright registration, license contract registration and transfer contract registration.

In compliance with, and in order to take advantage of, the above rules, we have registered 521 software copyrights as of December 31, 2022.

Trademark. The Trademark Law, adopted in 1982 and revised in 1993, 2001, 2013 and 2019, protects registered trademarks. The Trademark Law has adopted a “first-to-file” principle with respect to trademark registration. Where a trademark for which a registration has been made is identical or similar to another trademark that has already been registered or been subject to a preliminary examination and approval for use on the same kind of or similar commodities or services, the application for registration of such trademark may be rejected. Any person applying for the registration of a trademark must not prejudice the existing right of others obtained by priority, nor may any person register in advance a trademark that has already been used by another person and has already gained a “sufficient degree of reputation” through that person’s use. After receiving an application, the Trademark Office, which is under the National Intellectual Property Administration and handles trademark registration affairs in China, will make a public announcement if the relevant trademark passes the preliminary examination. Within three months after such public announcement, any person may file an objection against a trademark that has passed a preliminary examination. The PRC Trademark Office’s decisions on rejection, objection or cancellation of an application may be appealed to the National Intellectual Property Administration, whose decision may be further appealed through judicial proceedings. If no objection is filed within three months after the public announcement period or if the objection has been overruled, the PRC Trademark Office will approve the registration and issue a registration certificate, at which point the trademark is deemed to be registered and will be effective for a renewable ten-year period, unless otherwise declared invalid or revoked. The licensor shall file the trademark licensing with the Trademark Office for record. The licensing of a trademark that has not been filed for record may not be used against a bona fide third party. “新浪微博” and “” are registered trademarks of SINA’s subsidiaries in China and are exclusively licensed to us for use.

Domain Names. On August 24, 2017, the MIIT promulgated the Measures for Administration of Domain Names to replace the Measures for Administration of Domain Names for the Chinese Internet. These measures regulate the registration of domain names, including the domain name “.CN”. On November 27, 2017, the MIIT promulgated the Notice on Regulating the Use of Domain Names in Providing Internet-based Information Services, which became effective on January 1, 2018. Pursuant to this notice, the domain name used by an internet-based information service provider in providing internet-based information services must be registered and owned by such provider in accordance with the law. If the internet-based information service provider is an entity, the domain name registrant must be the entity (or any of the entity’s shareholders), or the entity’s principal or senior executive. We have registered domain names including weibo.com, weibo.cn, and weibo.com.cn.

Anti-unfair Competition. Under the Anti-Unfair Competition Law, effective in 1993 and revised in 2017 and 2019, a business operator is prohibited from carrying out acts intending to cause confusion, which would mislead others into thinking that its products belong to another party or that there is an association with another party, by:

- using without permission, a mark that is identical with or similar to product names, packaging or decoration of others with a certain degree of influence;
- using without permission, the name of an enterprise, a social organization or an individual with a certain degree of influence;
- using without permission, the main element of a domain name, website name or webpage with a certain degree of influence;
- carrying out confusing acts that are intended to mislead others into thinking that a product belongs to another party or there is an affiliation with another party.

See “Item 3. Key Information—D. Risk factors—Risks Relating to Our Business—We may not be able to adequately protect our intellectual property, which could cause us to be less competitive.”

Regulations on Foreign Exchange

Under the 2008 Foreign Currency Administration Rules, if documents certifying the purposes of the conversion of RMB into foreign currency are submitted to the relevant foreign exchange conversion bank, the RMB will be convertible for current account items, including the distribution of dividends, interest and royalties payments, and trade and service-related foreign exchange transactions. Conversion of RMB for capital account items, such as direct investment, loans, securities investment and repatriation of investment, however, is subject to the approval of SAFE or its local counterparts.

Under the 1996 Administration Rules of the Settlement, Sale and Payment of Foreign Exchange, foreign-invested enterprises may only buy, sell and/or remit foreign currencies at banks authorized to conduct foreign exchange business after providing valid commercial documents and, in the case of capital account item transactions, obtaining approval from SAFE or its local counterparts. Capital investments by PRC entities outside of China, after obtaining the required approvals from the relevant approval authorities, such as the Ministry of Commerce and the National Development and Reform Commission or their local counterparts, are also required to register with SAFE or its local counterparts.

SAFE promulgated a circular on November 19, 2012, or Circular No. 59, which tightens the examination on the authenticity of settlement of net proceeds from an offering and requires that the settlement of net proceeds shall be in accordance with the description in its prospectus.

On March 30, 2015, the SAFE issued the Circular on Reform of the Administrative Rules of the Payment and Settlement of Foreign Exchange Capital of Foreign-Invested Enterprises, or SAFE Circular 19, which became effective on June 1, 2015. Pursuant to SAFE Circular 19, foreign-invested enterprises may either continue to follow the current payment-based foreign currency settlement system or elect to follow the “conversion-at-will” regime of foreign currency settlement. Where a foreign-invested enterprise follows the conversion-at-will regime of foreign currency settlement, it may convert part or all of the amount of the foreign currency in its capital account into Renminbi at any time. The converted Renminbi will be kept in a designated account labeled as settled but pending payment, and if the foreign-invested enterprise needs to make payment from such designated account, it still needs to go through the review process with its bank and provide necessary supporting documents. SAFE Circular 19, therefore, has substantially lifted the restrictions on the usage by a foreign-invested enterprise of its RMB registered capital converted from foreign currencies. According to SAFE Circular 19, such Renminbi capital may be used at the discretion of the foreign-invested enterprise and the SAFE will eliminate the prior approval requirement and only examine the authenticity of the declared usage afterwards.

On June 9, 2016, SAFE issued the Circular on Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts, or SAFE Circular 16, which became effective on the same day. Pursuant to SAFE Circular 16, enterprises registered in China may convert their foreign debts from foreign currency to RMB on discretionary basis. SAFE Circular 16 provides an integrated standard for conversion of foreign exchange under capital account items (including but not limited to foreign currency capital and foreign debts) on discretionary basis which applies to all enterprises registered in China. SAFE Circular 16 reiterates the principle that RMB converted from foreign currency-denominated capital of a company may not be directly or indirectly used for purposes beyond its business scope or prohibited by PRC laws or regulations, while such converted RMB shall not be provided as loans to its non-affiliated entities, or used for construction and purchase of non-self-used real estate (excluding real estate enterprises) or unless otherwise expressly provided in law, directly or indirectly used in securities investment or other financial management excluding the bank capital preservation products. As SAFE has not provided detailed guidelines with respect to its interpretation or implementation, it is uncertain how these rules will be interpreted and implemented.

On October 23, 2019, SAFE issued the Notice of the State Administration of Foreign Exchange on Further Facilitating Cross-border Trade and Investment, or SAFE Circular 28, which, among other things, allows all foreign-invested companies to use RMB converted from foreign currency-denominated capital for equity investments in China, for so long as there is a truthful equity investment, and such equity investment does not violate applicable laws and does comply with the negative list on foreign investment.

In utilizing the proceeds, we received from our offerings or debt financings, as an offshore holding company with a PRC subsidiary, we may (i) make additional capital contributions to our PRC subsidiaries, (ii) establish new PRC subsidiaries and make capital contributions to these new PRC subsidiaries, (iii) make loans to our PRC subsidiaries, or (iv) acquire offshore entities with business operations in China in offshore transactions. However, most of these uses are subject to PRC regulations and/or approvals. For example, loans by us to our PRC subsidiaries, which are foreign-invested enterprises, to finance their activities cannot exceed statutory limits and must be registered with SAFE or its local branches.

See “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—PRC regulations of loans to PRC entities and direct investment in PRC entities by offshore holding companies may delay or prevent us from using offshore funds to make loans or additional capital contributions to our PRC subsidiaries.”

Regulations on Employee Stock Options Plans

In 2006, the People's Bank of China promulgated the Administrative Measures of Foreign Exchange Matters for Individuals, setting forth the respective requirements for foreign exchange transactions by individuals (both PRC and non-PRC citizens) under either the current account or the capital account. SAFE issued implementing rules for these measures in 2007 that specified approval requirements for certain capital account transactions, such as a PRC citizen's participation in employee stock ownership plans or share option plans of an overseas publicly listed company. In 2007, SAFE promulgated the Application Procedures of Foreign Exchange Administration for Domestic Individuals Participating in Employee Stock Ownership Plans or Stock Option Plans of Overseas Listed Companies. In 2012, SAFE promulgated the Notice on the Administration of Foreign Exchange Matters for Domestic Individuals Participating in the Stock Incentive Plans of Overseas Listed Companies to replace the former procedures. The new notice simplifies the requirements and procedures for the registration of stock incentive plan participants, especially with respect to the required application documents and the absence of strict requirements on offshore and onshore custodian banks, as were stipulated in the former procedures. The purpose of both the former procedures and the new notice is to regulate the foreign exchange administration of PRC resident individuals who participate in employee stock holding plans or share option plans of overseas listed companies.

Under these rules, for PRC resident individuals who participate in stock incentive plans of overseas publicly listed companies, which includes employee stock ownership plans, stock option plans and other incentive plans permitted by relevant laws and regulations, a PRC domestic qualified agent or the PRC subsidiary of such overseas listed company must, among other things, file on behalf of such resident an application with SAFE or its local counterpart to obtain approval for an annual allowance with respect to the purchase of foreign exchange in connection with the stock holding or exercise of share options, as PRC residents may not directly use overseas funds to purchase shares or exercise share options. In addition, within three months after any substantial changes to any such stock incentive plan, including for example, any changes due to a merger or acquisition or changes to the domestic or overseas custodian agent, the domestic agent must update the registration with SAFE.

Under the Foreign Currency Administration Rules, as amended in 2008, the foreign exchange proceeds of domestic entities and individuals can be remitted into China or deposited abroad, subject to the terms and conditions to be issued by SAFE. However, the implementing rules with respect to depositing foreign exchange proceeds abroad have not been issued by SAFE. The foreign exchange proceeds from the sales of shares can be converted into RMB or transferred to such individuals' foreign exchange savings account after the proceeds have been remitted back to the special foreign exchange account opened at the PRC domestic bank. If share options are exercised in a cashless exercise, the PRC domestic individuals are required to remit the proceeds to special foreign exchange accounts.

Many issues with respect to the new notice require further interpretation. We and our PRC employees who have participated in an employee stock ownership plan or share option plan are subject to the new notice. If we or our PRC employees fail to comply with the new notice, we and our PRC employees may face sanctions imposed by the PRC foreign exchange authority or any other PRC government authorities, including restrictions on foreign currency conversions and additional capital contributions to our PRC subsidiaries.

In addition, the State Administration of Taxation has issued circulars concerning employee share options. Under these circulars, our employees working in China who exercise share options will be subject to PRC individual income taxes. Our PRC subsidiaries have obligations to file documents related to employee share options with the relevant tax authorities and withhold individual income taxes of employees who exercise their share options.

See "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—Failure to comply with PRC regulations regarding the registration requirements for stock ownership plans or stock option plans may subject PRC plan participants or us to fines and other legal or administrative sanctions."

Labor Laws and Social Insurance

Pursuant to the PRC Labor Law and the PRC Labor Contract Law, employers must execute written labor contracts with full-time employees. All employers must compensate their employees with wages equal to at least the local minimum wage standards. All employers are required to establish a system for labor safety and sanitation, strictly abide by state rules and standards and provide employees with workplace safety training. Violations of the PRC Labor Contract Law and the PRC Labor Law may result in the imposition of fines and other administrative liabilities. Criminal liability may arise for serious violations.

In addition, according to the PRC Social Insurance Law and the Regulations on the Administration of Housing Provident Funds, employers in China are obliged to provide employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing funds.

To comply with these laws and regulations, we have caused all of our full-time employees to enter into labor contracts and provide our employees with the proper welfare and employment benefits. If we are made subject to severe penalties or incur significant liabilities in connection with labor disputes or investigations, our business and results of operations may be adversely affected.

Regulations on Concentration in Merger and Acquisition Transactions and Overseas Listings

The M&A Rules established procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex. The M&A Rules require, among other things, that the Ministry of Commerce be notified in advance of any change-of-control transaction in which a foreign investor will take control of a PRC domestic enterprise or a foreign company with substantial PRC operations, if certain thresholds under the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings issued by the State Council on August 3, 2008 and amended on September 18, 2018 are triggered.

On February 7, 2021, the Anti-monopoly Commission of the State Council promulgated the Guidelines to Anti-Monopoly in the Field of Internet Platforms, which reinforces antitrust merger review for internet platform related transactions and clarifies at the first time the filing procedures is applicable to the transactions involving variable interest structures.

On June 24, 2022, the Standing Committee of the National People’s Congress adopted the Anti-Monopoly Law, which came into effect on August 1, 2022. The new law increases fines for illegal business concentration to a maximum of 10% of the operator’s previous year’s sales revenue if the concentration has the potential to exclude or limit competition. The fine could be up to RMB5 million if the concentration has no effect of excluding or limiting competition. The law also mandates that relevant authorities order operators to report concentration, even below the filing threshold, if there is evidence of potential anti-competitive harm. On March 10, 2023, the SAMR issued four implementing rules to provide further clarity on the new Anti-Monopoly Law. These rules include provisions for curbing abuse of administrative power, prohibiting monopoly agreements, preventing abuse of market dominance, and reviewing undertakings’ concentration.

On December 24, 2021, the CSRC published the draft Administrative Provisions of the State Council on the Overseas Issuance and Listing of Securities by Domestic Companies (Draft for Comments) (the “Draft Administrative Provisions”) and the draft Measures for the Overseas Issuance and Listing of Securities Record-filings by Domestic Companies (Draft for Comments) (together with the Draft Administrative Provisions, “the Drafts”), which were open for public comments until January 23, 2022. Pursuant to the Drafts, PRC domestic companies that directly or indirectly offer or list their securities in an overseas market are required to file with the CSRC within three business days after submitting their listing application documents to the relevant regulator in the place of intended listing.

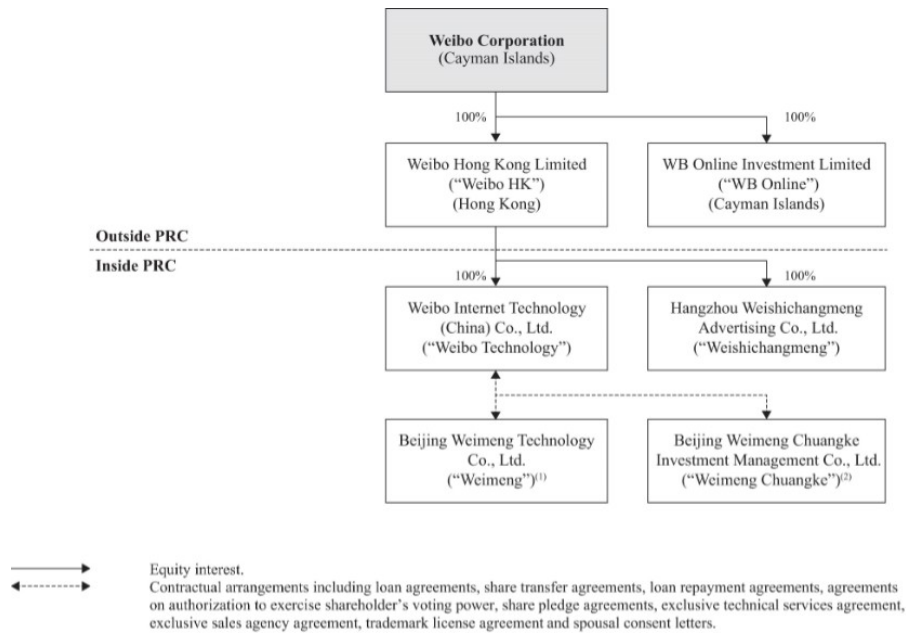
On February 17, 2023, the CSRC issued the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Enterprises, or the Trial Measures, which will become effective on March 31, 2023. On the same date, the CSRC circulated Supporting Guidance Rules No. 1 through No. 5, Notes on the Trial Measures, Notice on Administration Arrangements for the Filing of Overseas Listings by Domestic Enterprises and relevant CSRC Answers to Reporter Questions, or collectively, the Guidance Rules and Notice, on CSRC’s official website. The Trial Measures, together with the Guidance Rules and Notice, reiterate the basic principles of the Draft Administrative Provisions and Draft Filing Measures and impose substantially the same requirements for the overseas securities offering and listing by domestic enterprises. Under the Trial Measures and the Guidance Rules and Notice, PRC domestic enterprises conducting overseas securities offering and listing, either directly or indirectly, shall complete filings with the CSRC pursuant to the Trial Measures’ requirements within three working days following the submission of an application for initial public offering or listing. Starting from March 31, 2023, enterprises that have been listed overseas or satisfy all of the following conditions shall be deemed as “Grandfathered Issuers” and are not required to complete the overseas listing filing immediately.

The Guidance Rules provide that the examination and determination of an indirect offering and listing will be conducted on a substance-over-form basis, and an offering and listing shall be deemed as a PRC company's indirect overseas offering and listing if the issuer meets both of the following conditions: (i) any of the operating income, gross profit, total assets, or net assets of the PRC companies in the most recent fiscal year was more than 50% of the relevant line item in the issuer's audited consolidated financial statement for that year; and (ii) senior management personnel responsible for business operations and management are mostly PRC citizens or are ordinarily resident in the PRC, or the principal place of business is in the PRC or carried out in the PRC. In all such cases, the issuer or its designated principal operating PRC entity, as the case may be, shall file with the CSRC for its initial public offering, follow-on offering and other equivalent offering activities. Particularly, the issuer shall submit a filing with respect to its initial public offering and listing within three business days after its initial filing of the listing application, and submit a filing with respect to its follow-on offering within three business days after the completion of the follow-on offering. The issuer shall also submit a report with respect to the following material events within three business days after the occurrence and announcement of such event: (i) change of control rights; (ii) being investigated or punished by overseas securities regulatory authorities or relevant competent authorities; (iii) change of listing status or listing board; and (iv) voluntary or mandatory termination of the listing. The Guidance Rules specify that "control relationship" or "control right" under the Trial Measures refer to the actual control of the company by means of equity, voting rights, trusts, agreements and other arrangements, either individually or jointly, directly or indirectly. Therefore, the Trial Measures are interpreted to apply to PRC companies that use a variable interest entity structure. The Trial Measures also identify certain circumstances that will preclude issuers from pursuing overseas offerings and listings, including (i) explicit prohibition from financing through listing by laws, administrative regulations, or relevant national provisions; (ii) recognition by the relevant competent department of the State Council that the issuer's overseas offering and listing may harm national security; (iii) commission of criminal offenses, such as embezzlement, bribery, misappropriation of property, or disruption of market orders by the domestic companies, its controlling shareholder, or the actual controller within the past three years; (iv) ongoing investigation by law enforcement agencies for suspected criminal or significant illegal and irregular activities without any clear conclusion yet; and (v) material ownership disputes over shares held by the controlling shareholder or by other shareholders that are controlled by controlling shareholder and/or actual controller. Additionally, the Trial Measures include certain compliance requirements for issuers, such as compliance with national security laws, regulations and provisions on foreign investment, cyber security and data security, and address that security review procedures, if involved, shall be carried out in accordance with relevant laws prior to submitting the application for overseas offering and listing.

Complying with these requirements could affect our ability to expand our business or maintain our market share. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—PRC laws and regulations establish more 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."

C. Organizational 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 the VIEs and VIEs’ subsidiaries. The following diagram illustrates our corporate structure, including our major subsidiaries and the VIEs, as of the date of this annual report:



- (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. See also “Item 4. Information on the Company—C. Organizational Structure—Minority Investment in Weimeng” and “Item 16l. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.”
- (2) The shareholders of Weimeng Chuangke are two PRC employees of us or SINA, namely, Yunli Liu and Wei Wang, holding 50% and 50% of Weimeng Chuangke’s equity interests, respectively.

Contractual Arrangements with the VIEs and Their Respective Individual Shareholders.

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.

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 December 31, 2022, the total amount of interest-free loans to the shareholders of Weimeng was RMB555.0 million (US\$80.5 million) and to the shareholders of Weimeng Chuangke was RMB30.0 million (US\$4.3 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\$766.8 million, US\$1,026.2 million and US\$745.1 million for the years ended December 31, 2020, 2021 and 2022 in consideration for services provided to the VIEs. Net revenues from VIEs and VIEs' subsidiaries accounted for 78.1%, 80.7% and 83.9% of our net revenues for the years ended December 31, 2020, 2021 and 2022. 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 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.

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.

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 Consent Letters

Each of the spouses of the shareholders of Weimeng, 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. 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 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, to be bound by the abovementioned agreements, comply with the obligations thereunder as a shareholder of Weimeng and sign a series of written documents in substantially the same format and content as the abovementioned agreements.

Minority Investment in Weimeng

In April 2020, WangTouTongDa (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 (for accounting purpose only) 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 the 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.

D. Property, Plants and Equipment

Our headquarters and our principal product development facilities are located in Beijing. As of December 31, 2022, we have leased approximately 33,000 square meters of office space mainly in Beijing, Shanghai and Zhengzhou. These leases have various expiration dates. In addition, SINA allocates rental expenses to us for some of its office space where SINA employees devote part of their time to providing services to us or where SINA shares certain office space (SINA Plaza) with us for our employees to use. In December 2022, Weibo Hong Kong Limited, our wholly owned subsidiary, entered into an agreement to purchase 100% of the equity interests of Sina.com Technology (China) Co., Ltd. ("STC"), the owner of SINA Plaza in Beijing, for an aggregate consideration of approximately RMB1.5 billion. No further rental expenses related to the SINA Plaza would be allocated from SINA to us since 2023.

The servers that support our products and services are primarily maintained at China Telecommunications Corporation, or China Telecom, China Unicom branches, Ali Cloud and Huawei Cloud services in cities across China, as well as servers located in Hong Kong. We share the use of certain domestic servers with SINA during the ordinary course of our business. See "Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Our Relationship with SINA."

Item 4A. Unresolved Staff Comments

None.

Item 5. Operating and Financial Review and Prospects

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act, as amended including, without limitation, statements regarding our expectations, beliefs, intentions or future strategies that are signified by the words "expect," "anticipate," "intend," "believe," the negative of such terms or other comparable terminology. All forward-looking statements included in this document are based on information available to us on the date hereof, and we undertake no obligation to update any such forward-looking statements. Actual results could differ materially from those projected in the forward-looking statements. We caution you that our business and repetitive financial performance are subject to substantial risks and uncertainties, including the factors identified in "Item 3. Key Information—D. Risk Factors," that could cause actual results to differ materially from those in the forward-looking statements.

A. Operating Results

Overview

As a leading social media platform for people to create, discover and distribute content in China and the global Chinese communities, Weibo combines the means of public self-expression in real time with a powerful platform for social interaction, content creation and distribution. Our MAUs increased from 521 million in December 2020 to 573 million in December 2021, and further to 586 million in December 2022. Our average DAUs increased from 225 million in December 2020, to 249 million in December 2021, and further to 252 million in December 2022. The ratio of average DAUs to MAUs remained stable at 43% during the periods presented above. Approximately 95% of our MAUs in December 2022 accessed Weibo through mobile devices at least once during the month.

We offer a wide range of advertising and marketing solutions to our customers, ranging from large brand advertisers to small medium-sized enterprises, enabling them to promote their brands, products and services to our users. Advertising and marketing services contribute to the majority of our revenues, mainly including the sale of social display advertisements and promoted feeds. We have developed and are continuously refining our interest-based recommendation engine, which enables our customers to perform social marketing and target audiences based on user demographics, social relationships and interests to achieve greater relevance, engagement and marketing effectiveness on Weibo.

The value we create for our users and customers is enhanced by our platform partners, which include content creators such as KOLs, media outlets and other organizations with media rights, MCNs, which are professional agencies for influencers, self-medias and app developers. Our platform partners contribute a vast amount of content to Weibo, which generates user engagement and is virally distributed across the platform, enriching user experience and increasing Weibo's monetization opportunities. We have revenue-sharing arrangements with some of our platform partners, such as live streaming agencies, influencers, MCNs and game developers.

Weibo began monetization in 2012 primarily through the sale of advertising and marketing services and to a lesser extent, through value added services, mainly including membership and game related services. We place great emphasis on product innovation and our steady stream of introductions of new advertisement products has led to solid and healthy revenue growth since our IPO, except that our revenues and business were adversely impacted by the outbreaks of COVID-19 in 2020 and subsequent surges driven by various variants of COVID-19 in 2022. Our revenues in 2020, 2021 and 2022 were US\$1,689.9 million, US\$2,257.1 million and US\$1,836.3 million, respectively. We had a net income attributable to Weibo's shareholders of US\$313.4 million in 2020, US\$428.3 million in 2021 and US\$85.6 million in 2022.

Factors Affecting Our Results of Operations

Our business and operating results are affected by general factors affecting the social media industry in China, which include:

- the extent to which social media continues to grow in popularity and becomes further integrated into people's everyday lives in China;
- the intensity of competition both for the time and attention of internet users and for the advertising and marketing spending of brands and businesses that market to consumers;
- the changes in China's or global economies, policies, and regulatory environment; and
- continued mobile internet penetration and infrastructure development.

Unfavorable changes in any of these general factors could negatively affect demand for our products and services and adversely affect the results of our operations. In addition to the general factors affecting the social media industry in China, the specific factors affecting our results of operations include the following:

Scale and Engagement of Our User Base. Our revenues are ultimately affected by the scale of our user base, and the strategies we pursue to achieve user growth may affect our costs and expenses and results of operations. We have experienced solid user growth since our inception in 2009. As the size of our user base increases to an even larger scale and as we become more penetrated in China, our user growth rate may decrease, or not to continue to grow at all. Due to the media nature of our platform, the growth of our users may not be linear. In general, the penetration of Weibo among internet users in the more economically developed tier 1 and tier 2 cities in China who use Weibo is higher than in other parts of China. Our ability to grow our active user base will depend in part on the success of our strategies to attract additional users from lower-tier cities and towns in China while maintaining or growing our user base in tier 1 and tier 2 cities.

Changes in user engagement could affect our results of operations, especially since we began adding monetization features to our social platform. We need to motivate our users to engage actively on our platform to secure an abundant supply of user-generated content, to entice content creators to share even more content, and to ensure that we have a broad audience for our advertising and marketing services. Video, particularly in the form of short video and live streaming, is gaining more popularity in China and has become an important way for our users to engage and interact on Weibo. Our ability to provide an easy-to-use infrastructure for our users to create and share video as well as consume video will largely impact our user experience.

We plan to continue to enhance Weibo's user experience and engagement by improving our product features, offering new products, expanding our content offerings through collaboration with platform partners, developing and integrating with applications and continuing to refine Weibo's SIG recommendation engine to improve content relevancy and advertisement targeting capabilities.

Products and Services Innovation. Social media is an innovative and fast-changing field, and we must develop innovative products and services that meet the disparate needs of users, advertising and marketing customers and platform partners and roll them out on a timely basis while controlling our product development expenses. We plan to continue to make significant investments in product development and refining the capabilities of Weibo's SIG recommendation engine, and we may invest in or acquire businesses or assets to enhance our products, services and technical capabilities.

Content Ecosystem. Our success depends on our ability to provide users with interesting and useful content, which in turn depends on the content contributed by our users. Content creators, especially KOLs, contribute content to Weibo to grow their fan base and enhance their influence. We provide content creators with the opportunity to monetize their social assets on Weibo through advertising, e-commerce, subscription, tipping and other means. If content creators do not see significant value from their social marketing activities on Weibo and find monetization on Weibo inadequate, we may have to subsidize them through direct content cost payout, which may have an adverse and material impact on our business, financial condition and operating results. Alternatively, content creators may choose to contribute less or no content to Weibo, which may cause our user base and user engagement to decline and our customers to view our products and services as less attractive for advertising and marketing purposes. If that were to occur, our customers would reduce their spending on our platform.

Monetization. We started monetization in 2012 and have since experienced solid revenue growth, despite the negative impact from COVID-19 in 2020 and 2022. We generate revenues primarily from customers who purchase advertising and marketing services and, to a lesser extent, from value-added services. Our monetization model is evolving and sophisticated. Therefore, we are unable to gauge the period-to-period growth of our revenues based on any particular user traffic metric. Furthermore, our ability to monetize our user traffic depends to a large degree on how well the demographic profile and social interests of our users fit the audience profile that our advertising and marketing customers hope to reach at any given time. Our advertising and marketing customers may seek a full spectrum of online advertising and marketing services ranging from brand awareness to interest generation, sales conversion and loyalty marketing. We plan to increase the monetization of our platform by growing our user base and user engagement, and managing advertisement inventory and advertising load more effectively without adversely affecting user experience. Meanwhile, in order to continue to increase the efficiency of monetization, we need to stay innovative to improve the targeting capabilities of our advertising and marketing offerings and develop new advertisement products, formats and capabilities. We also plan to further diversify our monetization through growing value-added services.

We have been exploring various ways of monetization since 2012. For example, in 2017 and 2020, we initiated two rounds of comprehensive revamp on our advertisement system to drive bidding efficiency as well as diversify our advertising offerings. We generate revenues from value-added services primarily by providing membership and online game services. We have been exploring monetization opportunities in value-added services through investment in various areas, including our acquisition of a company operating several online interactive entertainment apps in China including “Pocket Werewolves” in 2020.

Investment in Technology Infrastructure. Our technology infrastructure is critical to providing users, customers and platform partners access to our platform, particularly during major events when activities on our platform increase substantially. We must continue to upgrade and expand our technology infrastructure to keep pace with the growth of our business and to ensure that technical difficulties do not detract from user experience or deter new users, customers or platform partners from accessing our platform. As 4G and Wi-Fi become more widely available in China and 5G has been gradually introduced to people’s daily life, we expect our users to share and consume more content in rich media format, such as photo, video and audio, which will require more infrastructure capacity, and costs to support, than text feeds. To further expand our capabilities to satisfy technology infrastructure demands, especially those arising from major media events and increasing video usage, we work with third-party service providers to procure bandwidth and other infrastructure services. Our ability to derive greater cost efficiency from infrastructure demands will depend on factors including our ability to negotiate a lower unit price with third-party vendors over time and the mix of services provided by third-party vendors and SINA, our controlling shareholder.

Marketing and Brand Promotion. Our brand recognition is key to our growth in both user scale and engagement to achieve platform expansion. On top of user base expansion, we have optimized our channel investment strategy along with relevant product and operational efforts, to focus on enhancing user engagement, which resulted in higher user acquisition efficiency with disciplined sales and marketing spending.

Investment in Talent. Our employee headcount has increased significantly since our inception. There is heavy demand in China’s internet industry for talented technical, sales and marketing, management and other personnel with necessary experience and expertise. We must recruit, retain and motivate talented employees while controlling our personnel-related expenses, including stock-based compensation.

Impact of COVID-19 on Our Operations and Financial Performance

Substantially all of our revenues and workforce are concentrated in China. The COVID-19 pandemic has had, and, together with any subsequent outbreaks driven by new variants of COVID-19, may continue to have, a significant impact on our operations and financial results. The extent to which COVID-19 impacts our results of operations will depend on the future developments of the outbreak, including new information concerning the global severity of and actions taken to contain the outbreak, which are highly uncertain and unpredictable. In addition, our results of operations could be adversely affected to the extent that the outbreak harms the Chinese economy in general.

Beginning in 2020, outbreaks of COVID-19 resulted in the temporary closure of many corporate offices, retail stores, and manufacturing facilities across China. Normal economic life throughout China was sharply curtailed. We have taken measures to reduce the impact of this epidemic outbreak, including upgrading our telecommuting system, monitoring our employees' health on a daily basis, arranging shifts of our employees working onsite and from home to avoid infection transmission and optimizing our technology system to support potential growth in user traffic. The population in most of the major cities was locked down to a greater or lesser extent at various times and opportunities for discretionary consumption were extremely limited. In particular, the COVID-19 pandemic has caused reduced or curtailed advertising expenditures from our customers and their overall demand for our advertising services, as well as increased volatility of their advertising expenditure patterns from period-to-period. These events have materially and adversely affected our business since 2020 and contributed to slower growth in our revenues, slower collection of accounts receivables and additional allowance for credit losses.

China began to modify its COVID control policy at the end of 2022, and most of the travel restrictions and quarantine requirements were lifted in December. There were surges of cases in many cities during this time which caused disruption to our and our customers' operations, and there remains uncertainty as to the future impact of the virus, especially in light of this change in policy. The extent to which the pandemic impacts our results of operations going forward will depend on future developments which are highly uncertain and unpredictable, including the frequency, duration and extent of outbreaks of COVID-19, the appearance of new variants with different characteristics, the effectiveness of efforts to contain or treat cases, and future actions that may be taken in response to these developments. China may experience lower domestic consumption, higher unemployment, severe disruptions to exporting of goods to other countries and greater economic uncertainty, which may impact our business in a materially negative way as our advertising customers may reduce or curtail their advertising budget and spending more broadly. Our advertising customers will need time to recover from the economic effects of the pandemic even after business conditions begin to return to normal. Consequently, the COVID-19 pandemic may continue to materially and adversely affect our business, financial condition and results of operations in the current and future years.

We will pay close attention to the development of the COVID-19 pandemic, including subsequent outbreaks driven by new variants of COVID-19, perform further assessment of its impact and take relevant measures to minimize the impact. We were exempt from payment of cultural business construction fees for the fiscal years of 2020 and 2021 as part of the measures taken by the government to ease the negative impact from the COVID-19 pandemic. As a result, we were exempt from payment of cultural business construction fees of US\$24.6 million in 2020 and US\$28.7 million in 2021. See also "Item 3. Key Information—D. Risk Factors—Risks Relating to Our Business—We face risks related to health epidemics and other outbreaks, such as the outbreak of COVID-19, as well as natural disasters, which could significantly disrupt our operations and adversely affect our business, financial condition or results of operation."

As of December 31, 2022, our total cash, cash equivalents and short-term investments were US\$3,171.2 million. Our principal sources of liquidity have been net proceeds from cash from operations, issuance of unsecured senior notes, public offerings of our ordinary shares, borrowing of long-term loans and other financing activities. We believe this level of liquidity is sufficient to successfully navigate an extended period of uncertainty.

Taxation

We generate the majority of our operating income from our PRC operations and have recorded income tax provisions for the periods presented.

Cayman Islands

According to Maples and Calder (Hong Kong) LLP, our Cayman Islands counsel, the Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation, and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the Government of the Cayman Islands, except for stamp duties, which may be applicable on instruments executed in, or after execution brought within, the jurisdiction of the Cayman Islands. The Cayman Islands is not a party to any double tax treaties that are applicable to any payments made to or by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Hong Kong

Our subsidiary incorporated in Hong Kong, Weibo HK is subject to 16.5% Hong Kong profit tax on its taxable income generated from operations in Hong Kong. Commencing from the year of assessment 2018/2019, the first HK\$2 million of profits earned by entities incorporated in Hong Kong will be taxed at half the current tax rate (i.e., 8.25%) while the remaining profits will continue to be taxed at the existing 16.5% tax rate. As of December 31, 2020, and 2021, our Hong Kong subsidiary had a net operating loss of US\$10.4 million and US\$0.8 million, respectively, which can be carried forward indefinitely to offset future taxable income. For the year ended December 31, 2022, Weibo HK earned a profit and utilized all the net operating loss carried forward from previous years.

PRC

Our PRC subsidiaries, VIEs and VIEs' subsidiaries are incorporated in China and are subject to enterprise income tax on their taxable income in China at a standard rate of 25% if they are not eligible for any preferential tax treatment. Taxable income is based on the entity's global income as determined under PRC tax laws and accounting standards. Preferential tax treatments will be granted to companies conducting businesses in certain encouraged sectors and to entities qualified as a "software enterprise," "key software enterprise" and/or "high and new technology enterprise." Weibo Technology, our PRC subsidiary, was qualified as a "software enterprise" and was entitled to an exemption from the enterprise income tax for two years beginning 2015, its first accumulative profitable year, and a 50% reduction (to a tax rate of 12.5)% for the subsequent three years from 2017 to 2019. Although Weibo Technology was qualified as a "software enterprise" in 2020, it did not enjoy a reduced tax rate for its "software enterprise" status as it has been five years since its first profitable year of 2015. Weibo Technology completed its filings as a "key software enterprise" with the tax authority in 2018, 2019 and 2020 for its status of 2017, 2018 and 2019, and, therefore, was entitled to enjoy a further reduced preferential tax rate of 10% for 2017, 2018 and 2019. The qualification as a "key software enterprise" is subject to annual evaluation and approval by the relevant authorities in China, and we will only recognize the preferential tax treatment of "key software enterprise" status when approval from the relevant authorities is obtained, usually one year in arrears. Weibo Technology was not able to maintain its "key software enterprise" qualification for the year of 2020 and thereafter due to the changes in the relevant policies, and may not qualify as a "key software enterprise" for the years of 2021 and 2022. Weibo Technology was granted the "high and new technology enterprise" status for the fiscal years from 2017 to 2022, which entitled the qualified entity to a preferential tax rate of 15% in 2020, 2021 and 2022. Its qualification as a "high and new technology enterprise" is subject to annual self-evaluation by us, and the relevant documents should be retained for future examination purpose. Upon the expiration of qualification, re-accreditation of certification from the relevant authorities is necessary for us to continue enjoying the preferential tax treatment. In addition, certain of our other PRC entities also qualify as a "software enterprise," and/or "high and new technology enterprise," and currently enjoy the respective preferential tax treatments.

According to the relevant PRC laws and regulations, enterprises engaging in research and development activities were entitled to claim 150% of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year (the "R&D Deduction"). The PRC State Taxation Administration announced in September 2018 that enterprises engaging in research and development activities would be entitled to claim 175% of their research and development expenses as R&D Deduction from January 1, 2018 to December 31, 2020, which was further extended to December 31, 2023 as the PRC State Taxation Administration announced in March 2021.

Our PRC subsidiaries, VIEs and VIEs' subsidiaries are also subject to VAT and related surcharges at a combined rate of 6.7%. Our advertising and marketing revenues are also subject to cultural business construction fees at a rate of 3%, which has been reduced to 1.5% since July 1, 2019, valid until December 31, 2024. The cultural business construction fees were exempted for the fiscal years of 2020 and 2021 as part of the measures taken by the government to ease the negative impact from the COVID-19 pandemic. As a result, we were exempt from payment of cultural business construction fees of US\$24.6 million in 2020 and US\$28.7 million in 2021.

Dividends paid by our subsidiary in China, Weibo Technology, to our intermediary holding company in Hong Kong, Weibo HK, will be subject to PRC withholding tax at a rate of 10% unless they qualify for a reduced tax rate. If Weibo HK satisfies all the requirements under the Arrangement between the PRC and the Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income and receives approval from the relevant tax authority, dividends paid by Weibo Technology to Weibo HK will be subject to a withholding tax rate of 5% instead. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—Any limitation on the ability of our PRC subsidiaries to make payments to us, or the tax implications of making payments to us, could have a material adverse effect on our ability to conduct our business or our financial condition."

If our holding company in the Cayman Islands, Weibo Corporation, were deemed to be a "PRC resident enterprise" under the Enterprise Income Tax Law, it would be subject to enterprise income tax on its global income at a rate of 25%. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—We and/or our Hong Kong subsidiary may be classified as a 'PRC resident enterprise' for PRC enterprise income tax purposes. Such classification would likely result in unfavorable tax consequences to us and our non-PRC shareholders and have a material adverse effect on our results of operations and the value of your investment."

If Weibo Corporation were regarded as a "PRC non-resident enterprise" and Weibo HK were deemed to be a "PRC resident enterprise" under the Enterprise Income Tax Law, dividends payable by Weibo HK to Weibo Corporation may become subject to 10% PRC dividend withholding tax. Furthermore, the dividends distributed from Weibo Technology to Weibo HK will not be subject to dividend withholding tax, and Weibo HK would be subject to PRC enterprise income at a rate of 25%. See "Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—Any limitation on the ability of our PRC subsidiaries to make payments

to us, or the tax implications of making payments to us, could have a material adverse effect on our ability to conduct our business or our financial condition.”

Recent Accounting Pronouncements

A list of recently issued accounting pronouncements that are relevant to us is included in “2. Significant Accounting Policies” of our audited consolidated financial statements included elsewhere in this annual report.

Results of Operations

The following table sets forth a summary of our consolidated results of operations for the periods presented. This information should be read together with our audited consolidated financial statements and related notes included elsewhere in this annual report on Form 20-F.

	For the Year Ended December 31,		
	2020	2021	2022
(In US\$ thousands, except for per share and per ADS data)			
Consolidated Statements of Operations Data:			
Revenues:			
Advertising and marketing revenues:			
Third parties	1,202,712	1,633,242	1,392,723
Alibaba ⁽¹⁾	188,597	181,241	107,197
SINA	48,353	96,359	56,206
Other related parties	46,493	69,953	40,524
Subtotal	1,486,155	1,980,795	1,596,650
Value-added services revenues	203,776	276,288	239,682
Total revenues	1,689,931	2,257,083	1,836,332
Costs and expenses:			
Cost of revenues ⁽²⁾	302,180	403,841	400,585
Sales and marketing ⁽²⁾	455,619	591,682	477,107
Product development ⁽²⁾	324,110	430,673	415,190
General and administrative ⁽²⁾	101,224	133,475	52,806
Impairment of intangible assets	—	—	10,176
Total costs and expenses	1,183,133	1,559,671	1,355,864
Income from operations	506,798	697,412	480,468
Income (loss) from equity method investments	10,434	14,217	(24,069)
Realized gain from investments	2,153	3,243	1,591
Fair value changes through earnings on investments, net	35,115	(72,787)	(243,619)
Investment related impairment and provision	(211,985)	(106,800)	(71,081)
Interest income	85,829	77,280	105,434
Interest expense	(57,428)	(71,006)	(71,598)
Other income (loss), net	4,997	9,159	(49,040)
Income before income tax expenses	375,913	550,718	128,086
Less: income tax expenses	61,316	138,841	30,277
Net income	314,597	411,877	97,809
Less: net income (loss) attributable to non-controlling interests and redeemable non-controlling interests	1,233	(16,442)	12,254
Net income attributable to Weibo's shareholders	313,364	428,319	85,555
Shares used in computing net income per share attributable to Weibo's shareholders:			
Basic	226,921	228,814	235,164
Diluted	227,637	230,206	236,407
Income per ordinary share:			
Basic	1.38	1.87	0.36
Diluted	1.38	1.86	0.36
Income per ADS ⁽³⁾ :			
Basic	1.38	1.87	0.36
Diluted	1.38	1.86	0.36

(1) For the years ended December 31, 2020, 2021 and 2022, we recorded US\$152.0 million, US\$139.6 million and US\$107.0 million, respectively, in advertising and marketing revenues from Alibaba as an advertiser. Moreover, one of Alibaba's subsidiaries engaged in the business of advertising agency and contributed another US\$36.6 million and US\$41.7 million and US\$0.2 million to our total revenues for the three-year period ended December 31, 2022.

(2) Stock-based compensation was allocated in costs and expenses as follows:

	For the Year Ended December 31,		
	2020	2021	2022
	(In US\$ thousands)		
Cost of revenues	5,384	8,112	9,417
Sales and marketing	9,983	15,292	18,910
Product development	33,093	43,622	55,294
General and administrative	18,645	20,970	28,092
Total	67,105	87,996	111,713

(3) Each ADS represents one Class A ordinary share.

Revenues

We generate the majority of our revenues from advertising and marketing services, such as social display advertisements, and promoted marketing. We also generate revenues from value-added services, mainly including membership and online game services.

2022 Compared to 2021

Our total net revenues decreased by 19% from US\$2,257.1 million in 2021 to US\$1,836.3 million in 2022. We have encountered various challenges in 2022, such as the unfavorable impact from the overall depreciation of RMB against the U.S. dollar in 2022 compared to 2021 and subsequent surges driven by various variants of COVID-19 in 2022 which had negative impacts on our customers.

- *Advertising and Marketing Revenues.* Advertising and marketing revenues decreased by 19% from US\$1,980.8 million in 2021 to US\$1,596.7 million in 2022. Mobile advertising revenues accounted for approximately 94% of our total advertising and marketing revenues in 2022, compared to 93% in 2021, benefiting from the growth of advertiser preferences. The total number of advertisers kept relatively stable at 1.0 million in 2021 and 2022. The average spending per advertiser (excluding Alibaba) decreased by 17% from US\$1,860 in 2021 to US\$1,552 in 2022, primarily due to conservative advertising budget from advertisers which have been influenced by macroeconomic factors and disruptions stemming from COVID-19 infections.

Revenues from advertising customers (excluding Alibaba) decreased by 19% from US\$1,841.2 million in 2021 to US\$1,489.7 million in 2022. The decline was mostly due to nationwide Omicron outbreaks that disrupted economic activities and caused macro economy to be volatile, which negatively impacted the overall advertising demand. Revenues generated from Alibaba as an advertiser was US\$107.0 million in 2022, compared to US\$139.6 million in 2021. The advertising spending from Alibaba highly correlates to its own business operation, especially its marketing strategies, which fluctuates from time to time.

- *Value-added Services Revenues.* Value-added services revenues decreased by 13% from US\$276.3 million in 2021 to US\$239.7 million in 2022, mostly due to the decline in revenues from membership service from US\$127.7 million in 2021 to US\$93.4 million in 2022. In June 2022, we adjusted our strategy for live streaming business and decided to transfer the operation of Yizhibo business to a related party with the ownership of all the intellectual properties unchanged. We recognized immaterial revenues from live streaming since the second quarter of 2022.

2021 Compared to 2020

Our total net revenues increased by 34% from US\$1,689.9 million in 2020 to US\$2,257.1 million in 2021.

- *Advertising and Marketing Revenues.* Advertising and marketing revenues increased by 33% from US\$1,486.2 million in 2020 to US\$1,980.8 million in 2021. Mobile advertising revenues accounted for approximately 93% of our total advertising and marketing revenues in 2021, compared to 90% in 2020, benefiting from the growth of advertiser preferences. The total number of advertisers was 1.0 million in 2021, compared to 1.6 million in 2020, while the average spending per advertiser (excluding Alibaba) increased by 125% from US\$825 in 2020 to US\$1,860 in 2021, both of which were primarily due to the churn of individual customers with relatively lower advertising budgets.

Revenues from advertising customers (excluding Alibaba) increased by 38% from US\$1,334.2 million in 2020 to US\$1,841.2 million in 2021, mainly attributable to a broad-based increase in advertising demand, strong sales execution and solid recovery of our advertising business post the COVID-19 pandemic outbreak in 2020. Revenues generated from Alibaba as an advertiser was US\$139.6 million in 2021, compared to US\$152.0 million in 2020. The advertising spending from Alibaba highly correlates to its own business operation, especially its marketing strategies, which fluctuates from time to time.

- *Value-added Services Revenues.* Value-added services revenues increased by 36% from US\$203.8 million in 2020 to US\$276.3 million in 2021, mostly due to the increase of game-related revenues from US\$12.6 million in 2020 to US\$101.1 million in 2021, contributed by the interactive entertainment company acquired in the fourth quarter of 2020 and incremental revenues from online game services, partially offset by the decrease in the revenues from live streaming business from US\$39.3 million in 2020 to US\$14.9 million in 2021 as a result of the intense market competitions.

Costs and Expenses

Our costs and expenses consist of cost of revenues, sales and marketing, product development, general and administrative expenses and impairment of intangible assets, including costs and expenses allocated from SINA during the presented periods. Cost of revenues consists mainly of costs associated with the maintenance of our platform, such as bandwidth and other infrastructure costs, as well as personnel-related expenses, stock-based compensation, content licensing fees, revenue-share cost, advertisement production cost and turnover taxes levied on our revenues. Sales and marketing expenses consist primarily of marketing and promotional expenses, personnel-related expenses, including commissions, outside services fees and stock-based compensation. Product development expenses consist primarily of personnel-related expenses, stock-based compensation, depreciation expense, outside services fees and infrastructure cost incurred for new product development, product enhancements and back-end systems. General and administrative expenses consist primarily of personnel-related expenses, stock-based compensation professional services fees and provision of allowance for credit losses.

2022 Compared to 2021

Our costs and expenses decreased by 13% from US\$1,559.7 million in 2021 to US\$1,355.9 million in 2022.

- *Cost of Revenues.* Cost of revenues decreased by 1% from US\$403.8 million in 2021 to US\$400.6 million in 2022. The decrease was primarily due to a decrease in advertisement production cost of US\$37.6 million, a decrease in revenue sharing cost of US\$27.2 million and a decrease in bandwidth cost of US\$3.8 million, partially offset by an increase of US\$29.7 million in labor cost, an increase of US\$20.1 million in turnover taxes and an increase of US\$15.6 million in content cost. We expect our cost of revenues to increase in absolute amount in the foreseeable future.
- *Sales and Marketing.* Our sales and marketing expenses decreased by 19% from US\$591.7 million in 2021 to US\$477.1 million in 2022. The decrease was mainly resulting from a decrease of US\$107.6 million in marketing spend and promotional activities due to more disciplined channel investments, and a decrease of US\$10.3 million in personnel-related expenses. We expect our sales and marketing expenses to increase in absolute amount in the foreseeable future.
- *Product Development.* Our product development expenses decreased by 4% from US\$430.7 million in 2021 to US\$415.2 million in 2022. The decrease was mostly attributable to a decrease of US\$13.2 million in personnel-related expenses and a decrease of US\$10.0 million in infrastructure cost, partially offset by an increase of US\$11.7 million in stock-based compensation. We expect our product development expenses to increase in absolute amount in the foreseeable future.
- *General and Administrative.* Our general and administrative expenses decreased by 60% from US\$133.5 million in 2021 to US\$52.8 million in 2022. The decrease was primarily due to a decrease of US\$59.4 million in personnel-related expenses, resulting from the reversal of US\$58.8 million in compensation costs as JM Tech failed to meet the performance conditions defined in the share purchase agreements signed when we acquired the majority equity interest in JM Tech. The decrease was also caused by a decline of US\$15.7 million in provision of allowance for credit losses. The decrease was partially offset by an increase of US\$7.1 million in stock-based compensation. We expect our general and administrative expenses to increase in absolute amount in the foreseeable future.

2021 Compared to 2020

Our costs and expenses increased by 32% from US\$1,183.1 million in 2020 to US\$1,559.7 million in 2021.

- *Cost of Revenues.* Cost of revenues increased by 34% from US\$302.2 million in 2020 to US\$403.8 million in 2021. The increase was primarily due to an increase of US\$39.5 million in advertisement production cost, an increase of US\$36.2 million in labor cost, an increase of US\$10.7 million in content cost and an increase of US\$6.1 million in turnover taxes.
- *Sales and Marketing.* Our sales and marketing expenses increased by 30% from US\$455.6 million in 2020 to US\$591.7 million in 2021. The increase was mainly resulting from to an increase of US\$87.1 million in marketing spend and promotional activities, and an increase of US\$40.5 million in personnel-related expenses.
- *Product Development.* Our product development expenses increased by 33% from US\$324.1 million in 2020 to US\$430.7 million in 2021. The increase was mostly attributable to an increase of US\$69.1 million in personnel-related expenses, an increase of US\$16.5 million in amortization of intangible assets, and an increase of US\$10.5 million in stock-based compensation.
- *General and Administrative.* Our general and administrative expenses increased by 32% from US\$101.2 million in 2020 to US\$133.5 million in 2021. The increase was primarily due to the increase of US\$42.0 million in personnel-related expenses and an increase of US\$6.5 million in professional services fees. The increase was partially offset by a decrease of US\$33.4 million in provision of allowance for credit losses.

Investment Related Impairment and Provision

We perform impairment assessments of our investments and determine if an investment is impaired due to the changes in quoted market price or other impairment indicators. For a detailed description of accounting treatment of our investment related impairment and the performance of the investments, see “—Significant Accounting Policies.” We recorded US\$212.0 million, US\$106.8 million and US\$71.1 million in investment related impairment and provision charges in 2020, 2021 and 2022, respectively, due to the unsatisfied financial performance of these investments with no obvious upturn or potential financing solutions in the foreseeable future or them incapable of making repayments in accordance with the respective agreements.

The impairment charge in 2022 was largely due to a US\$15.4 million write-off on a community software and an impairment charge of US\$14.2 million to a company operating a business social platform. The impairment charge in 2021 was largely due to the full impairment of US\$75.3 million on investment in Yixia Tech. The investment related impairment in 2020 primarily resulted from a partial impairment of US\$59.8 million on an investee in e-commerce business, a US\$39.3 million write-off on a game company, and a US\$82.2 million impairment charge on loans to investees.

Interest Income and Interest Expense

	For the Year Ended December 31,		
	2020	2021	2022
Interest income	85,829	77,280	105,434
Interest expense	(57,428)	(71,006)	(71,598)

2022 Compared to 2021

The increase in interest income was mainly caused by higher interest rates offered for USD-denominated bank time deposits.

2021 Compared to 2020

The increase in interest expense was mainly caused by the interest expense arising from our 2030 Notes issued in July 2020.

Provision of Income Taxes

The following table sets forth the income of Weibo Corporation, its subsidiaries, the VIEs and the VIEs' subsidiaries as a group before income taxes.

	Year Ended December 31,		
	2020	2021	2022
	(In US\$ thousands, except percentage)		
Loss from non-China operations	\$ (57,031)	\$ (232,830)	\$ (422,860)
Income from China operations	432,944	783,548	550,946
Total income before income tax expenses	<u>\$ 375,913</u>	<u>\$ 550,718</u>	<u>\$ 128,086</u>
Income tax expense (benefits) applicable to non-China operations	\$ 2,852	\$ 1,355	\$ (14,176)
Income tax expense applicable to China operations	58,464	137,486	44,453
Total income tax expenses	<u>\$ 61,316</u>	<u>\$ 138,841</u>	<u>\$ 30,277</u>
Effective tax rate for China operations	13.5 %	17.5 %	8.1 %
Effective tax rate for the Group ⁽¹⁾	16.3 %	25.2 %	23.6 %

Note:

(1) Weibo Corporation, its subsidiaries, the VIEs and VIEs' subsidiaries together are referred to as "the Group."

We recorded income tax expenses of US\$61.3 million, US\$138.8 million and US\$30.3 million in 2020, 2021 and 2022, respectively. The provision for income taxes for China operations differs from the amounts computed by applying the statutory EIT rate mostly due to the preferential tax treatment that Weibo Technology enjoyed as a qualified "high and new technology enterprise" during the periods presented, as well as the preferential tax treatment of "key software enterprise" status of 2019 benefited by Weibo Technology one year in arrears in 2020. Weibo Technology was entitled to a tax reduction of US\$55.1 million, US\$55.1 million and US\$26.9 million for the HNTE status in 2020, 2021 and 2022, respectively. Weibo Technology further recognized preferential tax treatment of "key software enterprise" status and tax benefit of research and development super deduction of US\$26.6 million for 2019 in 2020. Weibo Technology also recognized tax benefit of research and development super deduction of US\$41.4 million and US\$26.9 million in 2021 and 2022. The preferential tax treatment of "key software enterprise" status for Weibo Technology lapsed in 2021.

Our loss from non-China operations primarily included stock-based compensation, fair value changes through earnings on investments, investment-related impairment and interest expenses recorded by our non-China entities. The substantial majority of these items were recognized by our non-China entities in the Cayman Islands.

B. Liquidity and Capital Resources

Cash Flows and Working Capital

The following table sets forth the movements of our cash and cash equivalents for the periods presented:

	For the Year Ended December 31,		
	2020	2021	2022
	(in US\$ thousands)		
Net cash provided by operating activities	741,646	814,020	564,104
Net cash used in investing activities	(1,214,315)	(423,960)	(33,014)
Net cash provided by (used in) financing activities	741,963	189,442	(91,141)
Effect of exchange rate changes on cash and cash equivalents	92,565	29,357	(172,884)
Net increase in cash and cash equivalents	361,859	608,859	267,065
Cash and cash equivalents at the beginning of year	1,452,985	1,814,844	2,423,703
Cash and cash equivalents at the end of year	<u>1,814,844</u>	<u>2,423,703</u>	<u>2,690,768</u>

As of December 31, 2020, 2021 and 2022, our total cash, cash equivalents and short-term investments were US\$3,496.9 million, US\$3,134.8 million and US\$3,171.2 million, respectively. Our principal sources of liquidity have been net proceeds from cash from operations, issuance of unsecured senior notes, public offerings of our ordinary shares, long-term loans, and other financing activities.

- The increase in our cash, cash equivalents and short-term investments as of December 31, 2022 compared to that of December 31, 2021, was primarily due to US\$564.1 million in cash provided by operating activities, proceeds from long-term loan, net of issuance cost of US\$880.4 million, partially offset by US\$900.0 million cash paid upon the maturity of 2022 Notes and cash paid to investments of US\$193.8 million. As of December 31, 2022, our consolidated entities within China held US\$1,826.4 million of cash, cash equivalents and short-term investments, including US\$711.4 million held by the VIEs and the subsidiaries of VIEs. The remaining cash and short-term investments balance of US\$1,344.8 million was held by our entities outside China.
- The decrease in our cash, cash equivalents and short-term investments as of December 31, 2021 compared to that of December 31, 2020, was primarily due to cash paid to investments of US\$1,593.9 million, and prepayment for purchase of SINA Plaza of US\$132.5 million, partially offset by US\$814.0 million in cash provided by operating activities, proceeds from the disposal of and refund from investments of US\$447.4 million and net repayment of loan by SINA of US\$80.4 million. As of December 31, 2021, our consolidated entities within China held US\$1,497.4 million of cash, cash equivalents and short-term investments, including US\$294.0 million held by the VIEs and the subsidiaries of VIEs. The remaining cash and short-term investments balance of US\$1,637.4 million was held by our entities outside China.

We believe that our existing cash, cash equivalents and short-term investments balance as of December 31, 2022 is sufficient to fund our operating activities, capital expenditures and other obligations for at least the next twelve months. However, we may decide to enhance our liquidity position or increase our cash reserve for future expansions and acquisitions through additional capital and/or finance funding. The issuance and sale of additional equity would result in further dilution to our shareholders. The incurrence of indebtedness would result in increased fixed obligations and could result in operating covenants that would restrict our operations. We cannot assure you that financing will be available in amounts or on terms acceptable to us, if at all.

In utilizing the cash that we hold offshore, we may (i) make additional capital contributions to our PRC subsidiaries, (ii) establish new PRC subsidiaries and make capital contributions to these new PRC subsidiaries, (iii) make loans to our PRC subsidiaries, or (iv) acquire/invest in offshore entities with business operations in China in offshore transactions. However, most of these uses are subject to PRC regulations and/or approvals. For example, loans by us to our PRC subsidiaries, which are foreign-invested enterprise, to finance their activities cannot exceed statutory limits and must be registered with SAFE or its local branches. See “Item 4. Information on the Company—B. Business Overview—Regulation—Regulations on Foreign Exchange.”

Substantially all of our future revenues are likely to continue to be in the form of RMB. 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 subsidiary is 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 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. The PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—Restrictions on the remittance of RMB into and out of China and governmental control of currency conversion may limit our ability to pay dividends and other obligations, and affect the value of your investment.”

Operating Activities

Net cash provided by operating activities in 2022 was US\$564.1 million. The difference between net cash provided by operating activities and our net income of US\$97.8 million in 2022 was primarily due to a non-cash loss of US\$243.6 million from fair value change of investments, a non-cash charge of US\$111.7 million of stock-based compensation, a non-cash investment related impairment and provision of US\$71.1 million, foreign exchange loss of US\$67.0 million, a non-cash charge of US\$54.7 million of depreciation and amortization, a decrease of US\$159.4 million in accounts receivable due from third parties partially offset by a decrease of US\$79.6 million in income tax payable, an increase of US\$47.3 million in amount due from SINA, a decrease of US\$38.1 million in accrued and other current liabilities and a decrease of US\$35.5 million in accounts payable. The decrease in accounts receivable due from third parties was in line with the trend of revenues from third parties.

Net cash provided by operating activities in 2021 was US\$814.0 million. The difference between net cash provided by operating activities and our net income of US\$411.9 million in 2021 was primarily due to a non-cash investment related impairment of US\$106.8 million, a non-cash charge of US\$88.0 million of stock-based compensation, a non-cash loss of US\$72.8 million from fair value change of investments, a non-cash charge of US\$55.0 million of depreciation and amortization, an increase of US\$274.8 million in accrued and other liabilities, a decrease of US\$49.0 million in accounts receivable due from Alibaba, an increase of US\$41.8 million in accounts payable, an increase of US\$38.9 million in income taxes payable, partially offset by an increase of US\$273.7 million in accounts receivable due from third parties and a decrease of US\$56.2 million in deferred revenues. The increase in accrued and other liabilities mainly resulted from the increased payable for sales rebate and personnel-related expenses. The increase in accounts receivable due from third parties was in line with the growth of revenue from third parties.

Net cash provided by operating activities in 2020 was US\$741.6 million. The difference between net cash provided by operating activities and our net income of US\$314.6 million in 2020 was primarily due to a non-cash investment related impairment of US\$212.0 million, and a decrease of US\$148.9 million in amount due from SINA, a non-cash charge of US\$67.1 million of stock-based compensation, a charge of US\$53.1 million of provision of allowance for credit losses, an increase of US\$62.4 million in accrued and other liabilities, and a decrease of US\$54.7 million in accounts receivable due from other related parties, partially offset by an increase of US\$75.7 million in accounts receivable due from third parties, an increase of US\$68.3 million in accounts receivable due from Alibaba, a non-cash gain of US\$35.1 million from fair value change of investments, and an increase of US\$30.5 million in prepaid expenses and other current assets. The increase in accrued and other liabilities mainly resulted from the increased payable for sales rebate and personnel-related expenses. The increase in accounts receivable due from third parties was primarily due to the increase of accounts receivable from revenues contributed by key accounts advertisers who are generally postpaid customers.

Investing Activities

Net cash used in investing activities in 2022 was US\$33.0 million. This was primarily attributable to purchases of bank time deposits and wealth management products of US\$629.9 million, cash paid on long-term investments of US\$193.8 million, prepayment for purchase of SINA Plaza of US\$153.6 million, purchase of property and equipment of US\$43.1 million, partially offset by US\$859.1 million in cash from maturities of bank time deposits and wealth management products and proceeds from the disposal and refund of prepayment on long-term investments of US\$141.8 million.

Net cash used in investing activities in 2021 was US\$424.0 million. This was primarily attributable to cash paid on long-term investments of US\$1,593.9 million, purchases of bank time deposits and wealth management products of US\$1,170.1 million, prepayment for purchase of SINA Plaza of US\$132.5 million, net cash paid for acquisitions of US\$61.2 million, partially offset by maturities of bank time deposits and wealth management products of US\$2,040.6 million, proceeds from the disposal and refund of prepayment on long-term investments of US\$447.4 million, and net repayment of loan by SINA of US\$80.4 million.

Net cash used in investing activities in 2020 was US\$1,214.3 million. This was mainly due to purchases of short-term investments of US\$3,170.3 million, cash paid on long-term investments of US\$392.5 million, net loans to SINA of US\$292.1 million, and net cash paid for acquisitions of US\$214.3 million, partially offset by the maturity of short-term investments of US\$2,600.0 million and proceeds from the disposal and refund of long-term investments of US\$289.6 million.

Financing Activities

Net cash used in financing activities in 2022 was US\$91.1 million, which primarily consists of US\$900.0 million cash paid upon the maturity of 2022 Notes, cash of US\$57.7 million paid for repurchase of ordinary shares, partially offset by proceeds from long-term loans, net of issuance cost of US\$880.4 million.

Net cash provided by financing activities in 2021 was US\$189.4 million, which primarily consists of net proceeds from our Global Offering in connection with our listing on the Hong Kong Stock Exchange, after deducting estimated underwriting fees and other offering expenses.

Net cash provided by financing activities in 2020 was US\$742.0 million. This mainly consisted of net proceeds of US\$740.3 million from the issuance of 2030 Notes and a receipt of US\$1.5 million from the sale of a subsidiary's equity interest to non-controlling shareholders.

The loans to SINA were presented under investing activities in the consolidated statements of cash flows. Cash payment for billings from SINA for costs and expenses allocated was presented under operating activities in the consolidated statements of cash flows.

Material cash requirements

Our material cash requirements as of December 31, 2022 primarily include our capital expenditures, operating lease obligations, purchase obligations, and long-term debt obligations under our 2024 Notes, 2030 Notes and 2027 Loans.

Our capital expenditures primarily consist of purchases of servers, computers, and other office equipment. Our capital expenditures were US\$34.8 million in 2020, US\$35.1 million in 2021 and US\$43.1 million in 2022. We will continue to make capital expenditures to meet the expected growth of our business.

Our operating lease obligations consist of the commitments under the lease agreements for our office premises. We lease our office facilities under non-cancelable operating leases with various expiration dates. Our leasing expense was US\$12.5 million, US\$17.7 million and US\$21.9 million, for the years ended December 31, 2020, 2021 and 2022, respectively. The majority of our operating lease commitments are related to our office lease agreements in China.

Purchase obligations primarily consist of minimum commitments for marketing activities and internet connection.

2024 Notes represents future maximum commitment relating to the principal amount and interests in connection with the issuance of US\$800 million in aggregate principal amount of senior notes bearing an annual interest rate of 3.50%, which will mature on July 5, 2024.

2030 Notes represents future maximum commitment relating to the principal amount and interests in connection with the issuance of US\$750 million in aggregate principal amount of senior notes bearing an annual interest rate of 3.375%, which will mature on July 8, 2030.

On August 22, 2022, we signed a five-year US\$1.2 billion term and revolving facilities agreement with a group of 23 arrangers. The facilities consist of a US\$900 million five-year bullet maturity term loan and a US\$300 million five-year revolving facility. In the fourth quarter of 2022, we have fully withdrawn the US\$900 million five-year bullet maturity term loan. The proceeds from the facilities was used for refinancing of existing indebtedness, general corporate purposes and payment of transaction related fees and expenses.

We intend to fund our existing and future material cash requirements with our existing cash balance. We will continue to make cash commitments, including capital expenditures, to support the growth of our business.

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties that have or are reasonably likely to have a material current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, cash requirements or capital resources. We have not retained or contingent interests in assets transferred. We have not entered into contractual arrangements that support the credit, liquidity or market risk for transferred assets. We do not have obligations that arise or could arise from variable interests held in an unconsolidated entity, or obligations related to derivative instruments that are both indexed to and classified in our own equity, or not reflected in the statement of financial position.

Other than as discussed above, we did not have any significant capital and other commitments, long-term obligations or guarantees as of December 31, 2022.

Holding Company Structure

Weibo Corporation is a holding company that conducts its operations primarily through Weibo Technology, the VIEs and their subsidiaries, all of which are incorporated in China. As a result, our ability to pay dividends depends upon dividends paid to us by Weibo Technology, our PRC subsidiary. If Weibo Technology or any newly formed subsidiaries of our company incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us. In addition, Weibo Technology is permitted to pay dividends to us only out of its retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. Under the PRC law, each of our PRC subsidiaries, the VIEs and their subsidiaries is required to set aside at least 10% of its after-tax profits each year, if any, to fund certain statutory reserve funds until such reserve funds reach 50% of its registered capital. In addition, each of our PRC subsidiaries, the VIEs and their subsidiaries may allocate a portion of its after-tax profits based on PRC accounting standards to staff welfare and bonus funds, a discretionary surplus fund and an enterprise expansion fund at its discretion or in accordance with its articles of association. These reserve funds and staff welfare and bonus funds are not distributable as cash dividends. As of December 31, 2022, the amount restricted, including paid-in capital, as determined in accordance with PRC accounting standards and regulations, was US\$566.9 million. Although Weibo Technology has generated accumulated profits in 2022, it has not paid dividends in the past and currently has no intention to pay any dividend in the foreseeable future. We currently plan to reinvest most, if not all, of its profits, into our PRC operations for the future development and growth of our business.

C. Research and Development, Patents and Licenses, etc.

Our success has benefited from our continuous efforts in protecting our intellectual property, including patents, trademarks, copyrights and trade secrets. See “Item 4. Information on the Company—B. Business Overview—Intellectual Property” for a description on the protection of our intellectual property.

D. Trend Information

Other than as disclosed elsewhere in this annual report, we are not aware of any trends, uncertainties, demands, commitments or events for the period from January 1, 2022 to December 31, 2022 that are reasonably likely to have a material adverse effect on our net revenues, income, profitability, liquidity or capital resources, or that caused the disclosed financial information to be not necessarily indicative of future operating results or financial conditions.

E. Critical Accounting Estimates

We prepare our consolidated financial statements in accordance with U.S. GAAP, which requires our management to make estimates that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the balance sheet dates, as well as the reported amounts of revenues and expenses during the reporting periods. To the extent that there are material differences between these estimates and actual results, our financial condition or results of operations would be affected. We base our estimates on our own historical experience and other assumptions that we believe are reasonable after taking account of our circumstances and expectations for the future based on available information. We evaluate these estimates on an ongoing basis.

We consider an accounting estimate to be critical if: (i) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and (ii) changes in the estimate that are reasonably likely to occur from period to period or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations. There are other items within our financial statements that require estimation but are not deemed critical, as defined above. Changes in estimates used in these and other items could have a material impact on our financial statements.

For a detailed discussion of our significant accounting policies and related judgments, see “Note 2. Significant Accounting Policies” in the accompanying notes to consolidated financial statements included in this annual report on Form 20-F.

Impairment Accounted for under Measurement Alternative

Nature of Estimates Required. For equity investments without readily determinable fair value for which we have elected to use the measurement alternative, we make a qualitative assessment as to whether the investment is impaired at each reporting date, applying significant judgement in considering various events and factors. If the assessment indicates that the investment is impaired, we estimate the investment’s fair value in accordance with the principles of ASC 820 – Fair Value Measurement.

Assumptions and Approach Used. The approach we used to assess investment impairment are based on assumptions and our judgement in considering various factors and events. Many of the factors used in assessing performance and financial position of the investee are outside the control of us, and these assumptions and judgement may change in future periods. Changes in assumptions or our judgement can materially affect to find the impairment indicator, therefore, can affect the test results. If the assessment indicates that the investment is impaired, we estimate the investment’s fair value based on market approach or income approach.

Various factors and events we consider including (a) adverse performances and business prospects of the investees; (b) adverse changes in the general market condition affecting investees; (c) adverse change in regulatory, economic or technological environment of the investees; and (d) adverse changes in cash flow forecasts of investees. Key valuation assumptions and estimates mainly comprised of selection of comparable companies, valuation multiples, revenue growth rate of investees, scenario probability estimates and lack of marketability discounts.

For the year ended December 31, 2022, we assessed the above indicators, then determined that there were impairment indicators and US\$63.5 million investment impairment were charged. For additional information regarding the impairment investment accounted for using the measurement alternative, see “Note 4. Long-term Investment” in the accompanying notes to consolidated financial statements included in this annual report on Form 20-F.

Allowance for credit losses—Loans to and interest receivable from other related parties

Nature of the estimates required. Effective January 1, 2020, we adopted Accounting Standards Update (ASU) No. 2016-13, “Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,” which requires us to record the full amount of expected credit losses for the life of a financial asset at the time it is originated or acquired, and adjusted for changes in expected lifetime credit losses subsequently, which requires earlier recognition of credit losses.

Assumptions and Approach Used. We make periodic collective assessments as well as individual assessment on the recoverability based on historical settlement records and past experiences incorporating forward-looking information. Our management estimates the allowance for credit losses on loans and interest receivable not sharing similar risk characteristics on an individual basis. The key assumptions used in the process of estimating the provision for credit losses include portfolio composition, probability of default, loss given default, and application of macroeconomic forecasts. The key factors considered when determining the above allowances for credit losses include the estimated loan collection schedule, discount rate, and assets and financial performance of the borrowers.

Sensitivity Analysis. The estimate of expected credit losses is sensitive to our assumptions in these factors. When one of our estimates of probability of default and loss given default and application of macroeconomic forecasts decreased or increased by 10% while holding all other estimates constant, there would be no significant impact to our consolidated results of operations.

For the year ended December 31, 2022, we recognized US\$7.6 million credit losses on loans to and interest receivable from other related parties based on the expected collection schedule of these loans. For more information regarding expected credit losses and for additional information regarding the allowance for credit losses for loans to and interest receivable from other related parties, see “Note 10. Related Party Transactions” and “Note 2. Significant Accounting Policies” in the accompanying notes to consolidated financial statements included in this annual report on Form 20-F.

Fair value determination related to investment in wealth management products, long term

Nature of the estimates required. For wealth management products with the interest rate indexed to performance of underlying assets, we elected the fair value method at the date of initial recognition and carried these investments at fair value.

Assumptions and approach used. The fair value of these investments is determined based on market approach using unobservable inputs including selection of comparable debt securities and lack of marketability discounts, applying significant judgement in considering various events and factors.

For the year ended December 31, 2022, we assessed above factors and recognized US\$47.0 million fair value change loss for these wealth management products. See “Note 14. Fair Value Measurement” in the accompanying notes to consolidated financial statements included in this annual report on Form 20-F for more details.

Income Tax

Nature of Estimates Required. We must make estimates and apply judgment in determining the provision for income taxes for financial reporting purposes. We make these estimates and judgments primarily in the following areas: (i) the calculation of tax credits, (ii) the calculation of differences in the timing of recognition of revenue and expense for tax reporting and financial statement purposes, and (iii) the calculation of interest and penalties related to uncertain tax positions. Changes in these estimates and judgments may result in a material increase or decrease to our tax provision, which would be recorded in the period in which the change occurs.

Assumptions and Approach Used. We are subject to the income tax laws and regulations of the many jurisdictions in which we operate. These tax laws and regulations are complex and involve uncertainties in the application to our facts and circumstances that may be open to interpretation. We recognize benefits for these uncertain tax positions based upon a process that requires judgment regarding the technical application of the laws, regulations, and various related judicial opinions. If, in our judgment, it is more likely than not (defined as a likelihood of more than 50%) that the uncertain tax position will be settled favorably for us, we estimate an amount that ultimately will be realized. This process is inherently subjective since it requires our assessment of the probability of future outcomes. We evaluate these uncertain tax positions on a quarterly basis, including consideration of changes in facts and circumstances, such as new regulations or recent judicial opinions, as well as the status of audit activities by taxing authorities. Changes to our estimate of the amount to be realized are recorded in our provision for income taxes during the period in which the change occurred.

We must also assess the likelihood that we will be able to recover our deferred tax assets against future sources of taxable income and reduce the carrying amount of deferred tax assets by recording a valuation allowance if, based on all available evidence, it is more likely than not that all or a portion of such assets will not be realized.

For the year ended December 31, 2022, we assessed above factors and reversed US\$21.4 million tax liability related to the uncertain tax positions based on further interactions with the tax authorities. For additional information regarding income taxes, see “Note 9. Income Taxes” in the accompanying notes to consolidated financial statements included in this annual report on Form 20-F.

Safe Harbor

This annual report on Form 20-F contains forward-looking statements that relate to future events, including our future operating results and conditions, our prospects and our future financial performance and condition, all of which are largely based on our current expectations and projections. The forward-looking statements are contained principally in the sections entitled “Item 3.D. Key Information—D. Risk Factors,” “Item 4. Information on the Company” and “Item 5. Operating and Financial Review and Prospects.” These statements are made under the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify these forward-looking statements by terminology such as “may,” “will,” “expect,” “anticipate,” “future,” “intend,” “plan,” “believe,” “estimate,” “is/are likely to” or other and similar expressions. Forward-looking statements involve inherent risks and uncertainties. You should not place undue reliance on these forward-looking statements.

The forward-looking statements made in this annual report on Form 20-F relate only to events or information as of the date on which the statements are made in this annual report on Form 20-F. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this annual report on Form 20-F completely and with the understanding that our actual future results may be materially different from what we expect.

Item 6. Directors, Senior Management and Employees

A. Directors and Senior Management

The following table provides information with respect to our directors and executive officers as of the date of this annual report. There are no family relationships among any of the directors or executive officers of our company.

Name	Age	Position
Charles Guowei Chao	57	Chairman of the Board of Directors
Hong Du	51	Director
Pen Hung Tung	53	Director
Pochin Christopher Lu	64	Independent Director
Pehong Chen	65	Independent Director
Gaofei Wang	44	Director and Chief Executive Officer
Yan Wang	50	Independent Director
Fei Cao	48	Chief Financial Officer
Wei Wang	49	Chief Operating Officer
Zenghui Cao	45	Senior Vice President, Operation
Jingdong Ge	50	Senior Vice President, Advertising Business

Charles Guowei Chao has served as our Chairman of the board of directors since our inception. He has served as Chairman of the board of directors of SINA from August 2012 to March 2021 and continues to serve as the director of SINA since March 2021. He has been SINA’s Chief Executive Officer since May 2006. He served as SINA’s President from September 2005 to February 2013, Chief Financial Officer from February 2001 to May 2006, Co-Chief Operating Officer from July 2004 to September 2005. Prior to joining SINA, Mr. Chao served as an audit manager at PricewaterhouseCoopers, LLP. Prior to that, Mr. Chao was a news correspondent at Shanghai Media Group. Mr. Chao is currently a director of Leju Holdings Ltd., a New York Stock Exchange-listed company (NYSE: LEJU) providing online-to-offline (O2O) real estate services in China. Mr. Chao holds a B.A. in Journalism from Fudan University in Shanghai, China, an M.A. degree from the University of Oklahoma and a Master of Professional Accounting degree from the University of Texas at Austin.

Hong Du has served as our director since January 2014. Since February 2013, Ms. Du has served as SINA's Co-President and Chief Operating Officer. Ms. Du joined SINA in November 1999 and worked in Business Development until April 2004. From May 2004 to January 2005, Ms. Du served as Deputy General Manager of IPai.com, a joint venture between SINA and Yahoo! Ms. Du rejoined SINA in January 2005 and served as the General Manager of Sales Strategy from January 2005 to March 2005, General Manager of Sales from April 2005 to August 2005, Vice President of Sales from September 2005 to February 2007, Senior Vice President of Sales and Marketing from February 2007 to February 2008, and Chief Operating Officer from February 2008 to February 2013. Ms. Du is a director of Playtika Holding Corp. (Nasdaq: PLTK) since January 2022. Ms. Du holds a B.S. in Applied Chemistry from Harbin Institute of Technology and an M.S. in Business Administration from Lincoln University.

Pen Hung Tung has served as our director since January 2022. Mr. Tung is currently the Chief Marketing Officer of Alibaba Group. Mr. Tung joined Alibaba Group in January 2016. Before joining Alibaba Group, Mr. Tung was the Chief Executive Officer of VML China from 2010 to 2016 and served as the Vice President of Marketing at PepsiCo China from 2004 to 2010. Mr. Tung received a bachelor's degree in electrical engineering from Taiwan University and a master's degree in industrial engineering from University of Michigan, Ann Arbor.

Pochin Christopher Lu has served as our independent director since August 2020. Mr. Lu has served as the Executive Director at Foxconn Interconnect Technology Ltd., a company listed on the Hong Kong Stock Exchange (HKEX: 6088) and global leader in the supply of precision components, since March 16, 2015. Mr. Lu is also the Global Cooperating Officer and Chief Financial Officer of Foxconn Interconnect Technology Ltd. From January 1981 to December 2014, Mr. Lu served multiple executive positions at Deloitte Touche Tohmatsu Limited, including the Chief Executive Officer of Deloitte China and a member of the Deloitte Touche Tohmatsu Limited Global Executive Committee. Mr. Lu is an independent non-executive director at Honma Golf Limited, a Hong Kong Stock Exchange-listed company (HKEX: 6858) that manufactures and distributes golf products. He is a member of the American Institute of Certified Public Accountants and the Chinese Institute of Certified Public Accountants. Mr. Lu obtained a Bachelor of Science degree in accounting and a master of accounting science degree from the University of Illinois at Urbana-Champaign, USA, in 1980 and 1981, respectively.

Pehong Chen has served as our independent director since January 2016. Before that he served as a director of SINA between March 1999 and December 2015. Dr. Pehong Chen is Founder and Chairman of BroadVision Group, a global holding company that incubates and invests in cloud, AI, fintech, medtech, biotech, healthtech, and other innovative technologies and digital transformation initiatives. Previously, he was Founder, President, and CEO of BroadVision, Inc. (Nasdaq: BVSX; acquired by Aurea Software in 2020) from 1993-2020 and of Gain Technology, Inc. (acquired by Sybase in 1992) from 1988-1992. Mr. Chen received a B.S. in engineering from National Taiwan University, a master of science degree from Indiana University and a Ph.D. in Computer Science from the University of California at Berkeley.

Gaofei Wang has served as our Chief Executive Officer since February 2014 and our director since August 2020. Since our inception, Mr. Wang has had various product and business development roles at Weibo and was promoted to General Manager in December 2012. Mr. Wang joined SINA in August 2000 and worked in the product development department until early 2004 when he transferred to the SINA Mobile division. He served as General Manager of SINA Mobile division from November 2006 to November 2012. Mr. Wang is a director of DiDi Global Inc. since June 2021. Mr. Wang holds a B.S. degree in Computer Science from Peking University and an EMBA degree from Guanghua School of Management of Peking University.

Yan Wang has served as our independent director since May 2021. Previously, he had served as a director of SINA since May 2003, including as SINA's Vice Chairman of the board and Chairman of the board from May 2006 to August 2012 and as an independent director of SINA from August 2012 to March 2021. Before that, he served as SINA's Chief Executive Officer from May 2003 to May 2006, its President from June 2001 to May 2003, its General Manager of China operations from September 1999 to May 2001 and as its Executive Deputy General Manager for production and business development in China from April 1999 to August 1999. In April 1996, Mr. Wang founded the SRSnet.com division of Beijing Stone Rich Sight Limited (currently known as Beijing SINA Information Technology Co., Ltd.), one of SINA's subsidiaries. From April 1996 to April 1999, Mr. Wang served as the Head of SINA's SRS Internet Group. Mr. Wang has also served as the independent non-executive director, the Chairman of the remuneration committee, the member of the audit committee and the nomination committee of a Hong Kong Stock Exchange-listed company, Viva China Holdings Limited (HKEX: 8032), since July 2017. Mr. Wang holds a B.A. in Law and Master in International Relations from the University of Paris II.

Fei Cao has served as our Chief Financial Officer since March 2021. Ms. Cao served as our Vice President, Finance from August 2017 to March 2021. Prior to that, Ms. Cao was a Vice President of SINA from January 2017 to July 2017, overseeing SINA's finance department. Ms. Cao joined SINA in 2005 and served as the company's Corporate Controller for more than ten years. Prior to joining SINA, she was an audit manager at the PricewaterhouseCoopers in Beijing. Ms. Cao is currently a director of Tian Ge Interactive Holdings Limited, a Hong Kong Stock Exchange-listed (HKEX: 1980) live social video company in China, and a director of INMYSHOW Digital Technology (Group) Co., Ltd., a Shanghai Stock Exchange-listed company (SSE: 600556) providing social and new media marketing services. Ms. Cao holds a B.S. in engineering and an EMBA degree from Shanghai Jiaotong University. She is a certified public accountant in China and a member of the China Institute of Certified Public Accountants.

Wei Wang has served as our Chief Operating Officer since March 2021. Mr. Wang has been in charge of SINA Mobile's business since January 2019. From January 2016 to December 2018, he served as Chief Information Officer of SINA. Mr. Wang joined SINA in March 2000 and served as the General Manager of Information Systems Department until December 2015. Prior to joining SINA, he worked at PricewaterhouseCoopers, LLP. Mr. Wang holds a B.A. in German from Fudan University.

Zenghui Cao has served as our Senior Vice President, Operation since April 2018. Mr. Cao joined us in September 2009 and served as Director of Operation from September 2009 to March 2013, General Manager of Operation from April 2013 to March 2015, and Vice President of Operation from April 2015 to September 2017. Mr. Cao joined SINA in September 2002 and served as Chief Editor and other roles in SINA Technology Channel from September 2002 to August 2009. Prior to joining SINA, Mr. Cao worked at Sohu. Mr. Cao holds a B.S. in Electrical Engineering and Automation from Hebei University of Technology.

Jingdong Ge has served as our Senior Vice President, Advertising Business since April 2021. Mr. Ge served as our Vice President, Advertising from March 2020 to April 2021. Previously, Mr. Ge joined SINA in 2000 and held multiple positions, including SINA's Vice President, Sales from June 2015 and Vice President and General Manager in charge of automobile business from March 2017 to December 2018. Mr. Ge holds an M.B.A. degree from the University of Hong Kong.

Conflict of Interest

Two directors of our company are also executive officers of SINA and another director of our company is an executive officer of Alibaba. These relationships could create, or appear to create, conflicts of interest when these persons are faced with decisions with potentially different implications for SINA/Alibaba and us. If we have any conflicts of interest with SINA or Alibaba, we may not resolve such conflicts on favorable terms for us because of their significant ownership interest in us and the overlapping director and officer positions at both companies.

Mr. Pen Hung Tung was appointed as a director of our company pursuant to the Shareholders Agreement by Ali WB, SINA and us.

B. Compensation

For the year ended December 31, 2022, we paid an aggregate of approximately US\$3.2 million in cash and benefits to our executive officers, and we did not pay any cash compensation to our non-executive directors. For share incentive grants to our officers and directors, see "Item 6. Directors, Senior Management and Employees—B. Compensation—Share Incentive Plans." We have not set aside or accrued any amount to provide pension, retirement or other similar benefits to our executive officers and directors.

Our PRC subsidiaries, the VIEs and their subsidiaries are required by law to make contributions equal to certain percentages of each employee's salary for his or her pension insurance, medical insurance, unemployment insurance and other statutory benefits and a housing provident fund.

Employment Agreements

We have entered into employment agreements with our senior executive officers. Pursuant to these agreements, we will be entitled to terminate a senior executive officer's employment for cause at any time without remuneration for certain acts of the officer, such as being convicted of any criminal conduct, any act of gross or willful misconduct or any serious, willful, grossly negligent or persistent breach of any employment agreement provision, or engaging in any conduct which may make the continued employment of such officer detrimental to our company. In connection with the employment agreement, each senior executive officer has entered into an intellectual property ownership and confidentiality agreement and agreed to hold all information, know-how and records in any way connected with the products of our company, including, without limitation, all software and computer formulae, designs, specifications, drawings, data, manuals and instructions and all customer and supplier lists, sales and financial information, business plans and forecasts, all technical solutions and the trade secrets of our company, in strict confidence perpetually. Each officer has also agreed that we shall own all the intellectual property developed by such officer during his or her employment.

Each executive officer has agreed to hold, both during and after the termination or expiry of his or her employment agreement, in strict confidence and not to use, except as required in the performance of his or her duties in connection with the employment, any of our confidential information or trade secrets, any confidential information or trade secrets of our clients or prospective clients, or the confidential or proprietary information of any third party received by us and for which we have confidential obligations.

In addition, each executive officer has agreed to be bound by non-competition and non-solicitation restrictions during the term of his or her employment. Specifically, each executive officer has agreed not to (a) approach our clients, advertisers or contacts or other persons or entities introduced to the executive officer for the purpose of doing business with such persons or entities that will harm our business relationships with these persons or entities; (b) assume employment with or provide services to any of our competitors, or engage, whether as principal, partner, licensor or otherwise, any of our competitors; or (c) seek directly or indirectly, to solicit the services of any of our employees who is employed by us on or after the date of the executive officer's termination, or in the year preceding such termination.

Share Incentive Plans

2010 Share Incentive Plan

We adopted our 2010 Share Incentive Plan, or the 2010 Plan, in August 2010 to promote the long-term success of our Company and the creation of shareholder value by offering participants the opportunity to share in such long-term success by acquiring a proprietary interest in our Company. The maximum aggregate number of shares which may be issued under the 2010 Plan is 35,000,000 ordinary shares. In March 2014, the 2010 Plan was terminated and all ordinary shares reserved but unissued were transferred to the 2014 Plan.

2014 Share Incentive Plan

We adopted our 2014 Share Incentive Plan, or the 2014 Plan, in March 2014. Ordinary shares reserved but unissued under the 2010 Plan have been transferred to the 2014 Plan. Since the adoption of the 2014 Plan, we have not issued and will not issue any share incentive awards under the 2010 Plan. The maximum aggregate number of shares which may be issued pursuant to all awards under the 2014 Plan is the sum of 5,647,872 shares and the amount equal to 10% of the total number of our ordinary shares on an as-converted and fully diluted basis as of December 31, 2014. In March 2023, the 2014 Plan was early terminated and all ordinary shares reserved but unissued as of February 28, 2023 were transferred to the 2023 Plan.

2023 Share Incentive Plan

We adopted our 2023 Share Incentive Plan, or the 2023 Plan, in March 2023. Ordinary shares reserved but unissued under the 2014 Plan have been transferred to the 2023 Plan. Since the adoption of the 2023 Plan, we have not issued and will not issue any share incentive awards under the 2014 Plan. The maximum aggregate number of shares which may be issued pursuant to all awards under the 2023 Plan is the sum of 10,000,000 shares and all ordinary shares reserved but unissued as of February 28, 2023 under the 2014 Plan. As of March 31, 2023, 3,007,636 option and 7,291,010 restricted share units were granted and outstanding. The following paragraphs summarize the terms of the 2023 Plan.

Types of Awards. The 2023 Plan permits the awards of options, restricted shares and restricted share units.

Plan Administration. Our board or a committee of one or more members of our board duly authorized for the purpose of the 2023 Plan can act as the plan administrator.

Award Agreement. Options, restricted shares or restricted share units granted under the 2023 Plan are evidenced by an award agreement that sets forth the terms, conditions and limitations for each grant.

Exercise Price and Purchase Price. The exercise price in respect of any option shall be determined by the plan administrator and set forth in the award agreement which may be a fixed or variable price related to the fair market value of the shares. The exercise price per share subject to an option may be amended or adjusted in the absolute discretion of the plan administrator, the determination of which shall be final, binding and conclusive.

Eligibility. We may grant awards to our employees, consultants or directors, employees of our parent company and subsidiaries.

Term of the Awards. The 2023 Plan shall be valid and effective for a period of ten years from the date of effectiveness. The term of each option grant shall not exceed ten years from the date of the grant.

Vesting Schedule. In general, the plan administrator determines the vesting schedule, which is set forth in the award agreement with each award recipient.

Transfer Restrictions. Unless otherwise provided by applicable law and by the award agreement, awards under the 2023 Plan may not be transferred in any manner by the award holders and may be exercised only by such holders, subject to limited exceptions.

Termination. The plan administrator may at any time terminate the operation of the 2023 Plan.

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The following table summarizes, as of March 31, 2023, the outstanding options and restricted share units that we granted to our directors, executive officers and other grantees in the aggregate under the 2014 Plan and 2023 Plan:

Name	Ordinary Shares Underlying Outstanding Options and Restricted Share Units	Exercise Price (US\$/Share)	Grant Date	Expiration Date
Charles Chao	*	US\$21.15	March 16, 2022	March 17, 2029
Hong Du	*(1)	—	From November 22, 2018 to July 27, 2021	—
Pen Hung Tung	—	—	—	—
Pehong Chen	*(1)	—	From November 22, 2018 to January 6, 2023	—
Pochin Christopher Lu	*(1)	—	August 13, 2020	—
Gaofei Wang	*(1)	—	From November 22, 2018 to March 1, 2023	—
Yan Wang	*	US\$21.15	March 16, 2022	March 17, 2029
Fei Cao	*(1)	—	May 10, 2021	—
Wei Wang	*(1)	—	From November 22, 2018 to March 1, 2023	—
Zenghui Cao	*	US\$21.15	March 16, 2022	March 17, 2029
	*(1)	—	From March 27, 2019 to March 1, 2023	—
	*	US\$21.15	March 16, 2022	March 17, 2029
	*	US\$32.68	August 14, 2020	August 14, 2027
	*(1)	—	From June 3, 2019 to March 1, 2023	—
	*	US\$21.15	March 16, 2022	March 17, 2029
Jingdong Ge	*	US\$32.68	August 14, 2020	August 14, 2027
	*(1)	—	From August 14, 2020 to March 1, 2023	—
	*	US\$21.15	March 16, 2022	March 17, 2029
Other grantees	*	US\$32.68	August 14, 2020	August 14, 2027
	*	US\$21.15	March 16, 2022	March 17, 2029
	3,347,161 ⁽¹⁾	—	From June 3, 2019 to January 6, 2023	—
Total	10,298,646			

* Less than one percent of our total outstanding shares.

(1) Restricted share units.

C. Board Practices

Our board of directors consists of seven directors. A director is not required to hold any shares in our company to qualify to serve as a director. A director who to his/her knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with our company is required to declare the nature of his/her interest at the meeting of our board at which the question of entering into the contract or arrangement is first considered, if he/she knows his/her interest then exists, or in any other case at the first meeting of our board after he/she knows that he/she is or has become so interested. Following such a declaration being made, subject to any separate requirement for audit committee approval under applicable law or the Listing Rules of the Nasdaq, and unless disqualified by the chairman of the relevant board meeting, a director may vote in respect of any contract or proposed contract or arrangement in which such director is interested and may be counted in the quorum at such meeting. Our board of directors may exercise all our powers of the company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of our company and to mortgage or charge our undertaking, property and assets (present and future) and uncalled capital or any part thereof.

Committees of the Board of Directors

We have established an audit committee and a compensation committee under the board of directors and adopted a charter for each of these committees. Each committee's members and functions are described below.

Audit Committee. Our audit committee consists of Mr. Pochin Christopher Lu and Mr. Pehong Chen, and is chaired by Mr. Lu. Mr. Lu and Mr. Chen satisfy the "independence" requirements of Rule 5605(c)(2) of the Listing Rules of the Nasdaq Stock Market and meet the independence standards under Rule 10A-3 under the Exchange Act. We have determined that Mr. Lu qualifies as an "audit committee financial expert." As a Cayman Islands company, we are permitted to rely on the home country exemption under Nasdaq rules to reduce the size of our audit committee to two members. An audit committee of two independent directors would satisfy Rule 5605(c)(2). We have elected to follow home country practice in terms of the number of audit committee members. The audit committee oversees our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee is responsible for, among other things:

- selecting the independent registered public accounting firm and pre-approving all auditing and non-auditing services permitted to be performed by the independent registered public accounting firm;
- reviewing with the independent registered public accounting firm any audit problems or difficulties and management's response;
- reviewing and approving all proposed related party transactions, as defined in Item 404 of Regulation S-K under the Securities Act;
- discussing the annual audited financial statements with management and the independent registered public accounting firm;
- reviewing major issues as to the adequacy of our internal controls and any special audit steps adopted in light of material control deficiencies;
- annually reviewing and reassessing the adequacy of our audit committee charter;
- meeting separately and periodically with management and the independent registered public accounting firm; and
- reporting regularly to the board.

Compensation Committee. Our compensation committee consists of Mr. Pehong Chen and Mr. Yan Wang, and is chaired by Mr. Chen. Mr. Chen and Mr. Wang satisfy the "independence" requirements of Rule 5605(a)(2) of the Listing Rules of the Nasdaq Stock Market. The compensation committee assists the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. Our chief executive officer may not be present at any committee meeting during which his compensation is deliberated. The compensation committee is responsible for, among other things:

- reviewing and recommending to the board for its approval, the total compensation package for our chief executive officers and the other executive officers;
- approving and overseeing the total compensation package for our non-employee directors;
- reviewing the compensation of our directors and making recommendations to the board with respect to it; and
- periodically reviewing and approving any long-term incentive compensation or equity plans, programs or similar arrangements, annual bonuses, and employee pension and welfare benefit plans.

Duties of Directors

Under Cayman Islands law, our directors owe fiduciary duties to our company, including a duty of loyalty, a duty to act honestly, and a duty to act in what they consider in good faith to be in our best interests. Our directors also have a duty to exercise the skill they actually possess and such care and diligence that a reasonably prudent person would exercise in comparable circumstances. In fulfilling their duty of care to us, our directors must ensure compliance with our memorandum and articles of association and the class rights vested thereunder in the holders of the shares. We have the right to seek damages if a duty owed by our directors is breached. In limited exceptional circumstances, a shareholder may have the right to seek damages in our name if a duty owed by our directors is breached. You should refer to “Item 10. Additional Information—B. Memorandum and Articles of Association—Differences in Corporate Law” for additional information on our standard of corporate governance under Cayman Islands law.

Terms of Directors and Executive Officers

Our officers are elected by and serve at the discretion of the board. Our directors may be appointed by the board or by the shareholders through ordinary resolutions. Any director appointed by the board to fill a vacancy or as a new addition to the board shall hold office only until our next annual general meeting and shall then be eligible for re-election at that meeting. After the completion of our initial public offering, at each annual general meeting of our company, one-third of our directors at the time, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation. The directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became directors on the same day those to retire shall be determined by lot, unless they otherwise agree between themselves. A retiring director shall retain office until the close of the meeting at which he retires, and shall be eligible for re-election at the annual general meeting. A director may be removed at any time before the expiration of his period of office by an ordinary resolution of our shareholders. A director will be removed from office automatically if, among other things, the director (1) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally; (2) an order is 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 and the board of directors resolves that his office be vacated; (3) without leave, is absent from meetings of the board for a continuous period of 12 months, and the board resolves that his office be vacated; (4) ceases to be or is prohibited from being a director by law or by virtue of any provisions in our articles of association; or (5) is removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of our directors (including himself) then in office. In addition, Ali WB Investment Holding Limited has obtained certain board representation rights. See “Item 7. Major Shareholders and Related Party Transactions—B. Related Party Transactions—Our Relationship with Alibaba.”

Board Diversity Matrix

Board Diversity Matrix (As of March 31, 2023)				
Country of Principal Executive Offices:	People’s Republic of China			
Foreign Private Issuer	Yes			
Disclosure Prohibited Under Home Country Law	No			
Total Number of Directors	7			
	Female	Male	Non-Binary	Did Not Disclose Gender
Part I: Gender Identity				
Directors	1	6	0	0
Part II: Demographic Background				
Underrepresented Individual in Home Country Jurisdiction	-			
LGBTQ+	-			
Did Not Disclose Demographic Background	1			

D. Employees

We had 5,073, 6,147 and 5,935 employees, respectively as of December 31, 2020, 2021 and 2022. Our employees are mainly based in Beijing, Shanghai, Tianjin and Zhengzhou. The following table sets forth the numbers of our employees categorized by function as of December 31, 2022:

Function:	Number of Employees
Operations	1,646
Sales, customer service and marketing	1,557
Product development	2,582
General administration and human resources	150
Total	5,935

The employee numbers in this “Item 6. Directors, Senior Management and Employees—D. Employees” section do not include employees of SINA who spend part of their time working for our business and who have part of their staff-related expenses allocated to us.

As required by laws and regulations in China, we participate in various employee social security plans that are organized by municipal and provincial governments, including housing, pension, medical insurance and unemployment insurance. We are required under Chinese law to make contributions to employee benefit plans at specified percentages of the salaries, bonuses and certain allowances of our employees, up to a maximum amount specified by the local government from time to time.

We typically enter into standard confidentiality and non-compete agreements with our management and product development personnel. These contracts include a standard non-compete covenant that prohibits the employee from competing with us, directly or indirectly, during his or her employment and up to two years after the termination of his or her employment, provided that we pay compensation as specified under the agreement during the restriction period after the termination.

From time to time we employ independent contractors to support our production, engineering, marketing and sales departments. The staff expenses related to the independent contractors recorded in 2022 was not significant.

We believe that we maintain a good working relationship with our employees and labor union in Beijing, and we have not experienced any material labor disputes.

E. Share Ownership

The following table sets forth information concerning the beneficial ownership of our ordinary shares as of March 31, 2023, by:

- each of our directors and executive officers; and
- each person known to us to beneficially own more than 5% of our total ordinary shares issued and outstanding.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, we have included shares that the person has the right to acquire within 60 days, including through the exercise of any option, warrant, or other right or the conversion of any other security. These shares, however, are not included in the computation of the percentage ownership of any other person.

The calculations in the table below is based on 235,270,805 ordinary shares issued and outstanding as of March 31, 2023, comprising of 147,448,781 Class A ordinary shares and 87,822,024 Class B ordinary shares.

	Ordinary Shares Beneficially Owned			Voting Power	
	Class A Ordinary Shares	Class B Ordinary Shares	Total Ordinary Shares	% ⁽¹⁾	% ⁽²⁾
Directors and Executive Officers:**					
Charles Chao ⁽³⁾	*	87,822,024	88,367,534	37.6 %	64.2 %
Hong Du	*	—	*	*	*
Pen Hung Tung	—	—	—	—	—
Pochin Christopher Lu	*	—	*	*	*
Pehong Chen	*	—	*	*	*
Gaofei Wang	*	—	*	*	*
Yan Wang	*	—	*	*	*
Fei Cao	*	—	*	*	*
Wei Wang	*	—	*	*	*
Zenghui Cao	*	—	*	*	*
Jingdong Ge	*	—	*	*	*
All directors and executive officers as a group	2,972,398	87,822,024	90,794,422	38.6 %	64.8 %
Principal Shareholders:					
SINA Corporation ⁽⁴⁾	—	87,822,024	87,822,024	37.3 %	64.1 %
Ali WB Investment Holding Limited ⁽⁵⁾	67,883,086	—	67,883,086	28.9 %	16.5 %

Notes:

* Less than 1% of our total outstanding shares.

** The business address for Charles Chao and Hong Du is No. 8 SINA Plaza, Courtyard 10, the West, Xibeiwang E. Road Haidian District, Beijing 100193, People's Republic of China.

(1) For each person and group included in this column, percentage ownership is calculated by dividing the number of ordinary shares beneficially owned by such person or group, including shares that such person or group has the right to acquire within 60 days after March 31, 2023, by the sum of (i) 235,270,805 which is the total number of ordinary shares outstanding as of

March 31, 2023 and (ii) the number of ordinary shares that such person or group has the right to acquire within 60 days after March 31, 2023.

- (2) For each person or group included in this column, the percentage of total voting power represents voting power based on both Class A and Class B ordinary shares held by such person or group with respect to all of our outstanding Class A and Class B ordinary shares as one class as of March 31, 2023. Each holder of Class A ordinary shares is entitled to one vote per share, and each holder of Class B ordinary shares is entitled to three votes per share on all matters subject to a shareholders' vote. Our Class B ordinary shares are convertible at any time by the holder into Class A ordinary shares on a one-for-one basis, whereas Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances.
- (3) Represents 87,822,024 Class B ordinary shares held by SINA Corporation and 545,510 Class A ordinary shares in the form of ADSs held by Charles Chao.
- (4) Represents 87,822,024 Class B ordinary shares held by SINA Corporation. SINA Corporation is incorporated in the Cayman Islands. The business address of SINA Corporation is SINA Plaza, No. 8 Courtyard 10, the West Xibeiwang E. Road, Haidian District, Beijing 100193, People's Republic of China. On March 22, 2021, New Wave Mergersub Limited (a wholly owned subsidiary of Sina Group Holding Company Limited, formerly known as New Wave Holdings Limited) merged with and into SINA, with SINA continuing as the surviving company. As a result of this merger, SINA became a wholly owned subsidiary of Sina Group Holding Company Limited, which is a wholly owned subsidiary of New Wave MMXV Limited ("New Wave"), a business company incorporated in the British Virgin Islands and controlled by Mr. Charles Chao. As of the date of this document, New Wave was owned as to 61.2% by Mr. Charles Chao, 30.0% by Mr. Yunli Liu and the remaining shares were held by other senior management members of SINA and Weibo, including Ms. Hong Du, Mr. Gaofei Wang and Ms. Bonnie Yi Zhang, each of whom held less than 5% of the total share capital of New Wave. All the voting shares in New Wave were held by Mr. Charles Chao, and the rest were all non-voting shares. Following the completion of the merger, SINA has ceased to be a reporting company under the Exchange Act and its shares have ceased trading on NASDAQ.

In March 2023, SINA entered into the SINA Facility Agreement, under which SINA is entitled to borrow up to US\$300 million. The term for the SINA Facility Agreement is one year, extendable for another one-year period. Shortly thereafter, SINA pledged all shares held by it in our company in favor of the Security Agent. In the event that SINA defaults under the SINA Facility Agreement, the Security Agent may exercise its rights and remedies in respect of the pledge, including the right to sell and/or foreclose on the shares subject to the pledge, which potentially could cause a change in control in our company. Please see "Risk Factors—Risks Relating to Our Carve-out from SINA and Our Relationship with SINA—SINA has pledged all of its shares in our company to secure a syndicate loan arranged by, among others, Goldman Sachs, and if SINA defaults on the underlying loan, we could experience a change in control."

- (5) Represents (i) 58,883,086 Class A ordinary shares and (ii) 9,000,000 Class A ordinary shares represented by ADSs. Such shareholding information is based on the information contained in the Schedule 13D filed by Ali WB with the SEC on September 9, 2016.

To our knowledge, as of March 31, 2023, we had 29,153,245 ordinary shares outstanding on an as converted basis that were held by 27 record holders in the United States, including the depository of our ADS program. The number of beneficial owners of our ADSs in the United States is likely to be much larger than the number of record holders of our ordinary shares in the United States. None of our shareholders has informed us that it is affiliated with a registered broker-dealer or is in the business of underwriting securities. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Each holder of Class A ordinary shares is entitled to one vote per share, and each holder of Class B ordinary shares is entitled to three votes per share on all matters subject to a shareholders' vote. Our Class B ordinary shares are convertible at any time by the holder into Class A ordinary shares on a one-for-one basis, whereas Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances.

F. Disclosure of A Registrant's Action to Recover Erroneously Awarded Compensation

Not applicable.

Item 7. Major Shareholders and Related Party Transactions

A. Major Shareholders

Please refer to “Item 6. Directors, Senior Management and Employees—E. Share Ownership.”

B. Related Party Transactions

SINA and Ali WB are currently the two largest shareholders of our company. Below are summaries of our relationship with these two shareholders.

Our Relationship with SINA

We are a controlled subsidiary of SINA. On March 22, 2021, New Wave Mergersub Limited (a wholly owned subsidiary of Sina Group Holding Company Limited, formerly known as New Wave Holdings Limited) merged with and into SINA, with SINA continuing as the surviving company. As a result of this merger, SINA became a wholly owned subsidiary of Sina Group Holding Company Limited, which is a wholly owned subsidiary of New Wave MMXV Limited, a business company incorporated in the British Virgin Islands and controlled by Mr. Charles Chao. Following the completion of the merger, SINA has ceased to be a reporting company under the Exchange Act and its shares have ceased trading on NASDAQ.

We have entered into agreements with SINA with respect to various ongoing relationships between us after our initial public offering. These agreements include a master transaction agreement, a transitional service agreement, a non-competition agreement, and a sales and marketing services agreement. The following are summaries of these agreements and of an intellectual property license agreement that we entered into with SINA in April 2013.

Master Transaction Agreement

The master transaction agreement contains provisions relating to our carve-out from SINA. Pursuant to this agreement, we are responsible for all financial liabilities associated with the current and historical social media business and operations that have been conducted by or transferred to us, and SINA is responsible for financial liabilities associated with all of SINA’s other current and historical businesses and operations, in each case regardless of the time those liabilities arise. The master transaction agreement also contains indemnification provisions under which we and SINA indemnify each other with respect to breaches of the master transaction agreement or any related inter-company agreement.

In addition, we have agreed to indemnify SINA against liabilities arising from misstatements or omissions in our prospectus dated April 16, 2014 or the registration statement of which it is a part, except for misstatements or omissions relating to information that SINA provided to us specifically for inclusion in our prospectus dated April 16, 2014 or the registration statement of which it forms a part. We also have agreed to indemnify SINA against liabilities arising from any misstatements or omissions in our subsequent SEC filings and from information we provide to SINA specifically for inclusion in SINA’s annual reports or other SEC filings following the completion of our initial public offering, but only to the extent that the information pertains to us or our business or to the extent SINA provides us prior written notice that the information will be included in its annual reports or other subsequent SEC filings and the liability does not result from the action or inaction of SINA. Similarly, SINA will indemnify us against liabilities arising from misstatements or omissions in its subsequent SEC filings or with respect to information that SINA provided to us specifically for inclusion in our prospectus dated April 16, 2014, the registration statement of which our prospectus dated April 16, 2014 forms a part, or our annual reports or other SEC filings following the completion of our initial public offering.

The master transaction agreement also contains a general release, under which the parties will release each other from any liabilities arising from events occurring on or before the initial filing date of the registration statement of which our prospectus dated April 16, 2014 forms a part, including in connection with the activities to implement of our initial public offering. The general release does not apply to liabilities allocated between the parties under the master transaction agreement or the other inter-company agreements.

Furthermore, under the master transaction agreement, we have agreed to use our reasonable best efforts to use the same independent certified public accounting firm selected by SINA and to maintain the same fiscal year as SINA until the first SINA fiscal year-end following the earlier of (1) the first date when SINA no longer owns at least 20% of the voting power of our then outstanding securities and (2) the first date when SINA ceases to be the largest beneficial owner of our then outstanding voting securities (without considering holdings by certain institutional investors). We refer to this earlier date as the control ending date. We also have agreed to use our reasonable best efforts to complete our audit and provide SINA with all financial and other information on a timely basis so that SINA may meet its deadlines for its filing of annual and quarterly financial statements.

Under the master transaction agreement, the parties also agree to cooperate in sharing information and data collected from each party's business operation, including without limitation user information and data relating to user activities. The parties agree not to charge any fees for their cooperation provided under the agreement unless they separately and explicitly agree otherwise.

The master transaction agreement will automatically terminate five years after the first date upon which SINA ceases to own in aggregate at least 20% of the voting power of our then outstanding securities, provided that the agreement on sharing information and data will terminate on the earlier of (1) the fifteenth anniversary of the commencement of the cooperation period or (2) five years after the first date upon which SINA ceases to own in aggregate at least 20% of the voting power of our then outstanding securities. This agreement can be terminated early or extended by mutual written consent of the parties. The termination of this agreement will not affect the validity and effectiveness of the transitional services agreement, the non-competition agreement and the sales and marketing services agreement.

Transitional Services Agreement

Under the transitional services agreement, SINA agrees that, during the service period, as described below, SINA will provide us with various corporate support services, including but not limited to:

- administrative support, including but not limited to secretarial support, event management, conference management, and other day-to-day office support services;
- operational management support, including but not limited to management, supervision and instruction of the operation of sales and marketing, product development and general administration;
- legal support, including but not limited to support services in respective of contract management, risk control, compliance and other corporate legal matters;
- technology support, including but not limited to network design, optimization and maintenance, system (such as ERP and CRM systems) support and upgrade, technology and infrastructure support (such as IDC rental), management of information technology equipment, technical support and disaster recovery, and complementary product development; and
- provision of office facilities.

SINA also may provide us with additional services that we and SINA may identify from time to time in the future.

The price to be paid for the services provided under the transitional service agreement will be charged based on the actual cost incurred by SINA in the provision of such services, which can be classified into direct and indirect costs. Direct costs include labor-related compensation which represents the head counts and work hours that SINA's employees have dedicated to the provision of the relevant services to our Company, as well as the travel expenses and materials and supplies consumed in performing the services. Indirect costs include office occupancy, information technology, sharing of bandwidth provided by third party service providers, supervision and other overhead costs of the department incurring the direct costs of providing the services apportioned based on the proportionate utilization rate. We believe the cost-based charges would be on better terms compared to those that may be offered by other independent third party service providers.

The transitional service agreement provides that the performance of a service according to the agreement will not subject the provider of such service to any liability whatsoever except as directly caused by the gross negligence or willful misconduct of the service provider. Liability for gross negligence or willful misconduct is limited to the lower of the price paid for the particular service or the cost of the service's recipient performing the service itself or hiring a third party to perform the service. Under the transitional services agreement, the service provider of each service is indemnified by the recipient against all third-party claims relating to provision of

services or the recipient's material breach of a third-party agreement, except where the claim is directly caused by the service provider's gross negligence or willful misconduct.

The service period under the transitional services agreement commences on March 14, 2014, ended on the expiration of five years thereafter, and has been extended for another five years by the parties.

In addition to the allocated costs and expense, SINA billed US\$48.3 million, US\$48.0 million and US\$37.7 million for other costs and expenses incurred by us but paid by SINA in 2020, 2021 and 2022, respectively.

Non-competition Agreement

Our non-competition agreement with SINA provides for a non-competition period beginning upon the completion of our initial public offering and ending on the later of (1) five years after the first date upon which members of SINA and its subsidiaries and consolidated affiliated entities cease to own in aggregate at least 20% of the voting power of our then outstanding securities and (2) fifteenth anniversary of the completion of our initial public offering. This agreement can be terminated early by mutual written consent of the parties.

SINA has agreed not to compete with us during the non-competition period in the business that is of the same nature as the microblogging and social networking business operated by us as of the date of the agreement, except for owning non-controlling equity interest in any company competing with us. We have agreed not to compete with SINA during the non-competition period in the businesses currently conducted by SINA, as described in its periodic filings with the SEC, other than the microblogging and social networking business currently operated by us as of the date of the agreement, except for owning non-controlling equity interest in any company competing with SINA.



The non-competition agreement also provides for a mutual non-solicitation obligation that neither SINA nor we may, during the non-competition period, hire, or solicit for hire, any active employees of or individuals providing consulting services to the other party, or any former employees of or individuals providing consulting services to the other party within six months of the termination of their employment or consulting services, without the other party's consent, except for solicitation activities through generalized non-targeted advertisement not directed to such employees or individuals that do not result in a hiring within the non-competition period.

Sales and Marketing Services Agreement

Under our sales and marketing services agreement with SINA, we agree that SINA will be our sales and marketing agent within the service period commencing on the date of signing and ending on the earlier of (1) the fifteenth anniversary of the commencement of the service period or (2) five years after the first date upon which SINA and any entity controlled by SINA cease to collectively own in aggregate at least 20% of the voting power of our then outstanding securities.

The fee to be reimbursed for the services provided under this agreement shall be the reasonably allocated direct and indirect costs of providing such services. Direct costs include labor-related compensation and travel expenses and materials and supplies consumed in performing the services. Indirect costs include office occupancy, information technology support and other overhead costs of the department incurring the direct costs of providing the service.

Intellectual Property License Agreement

The intellectual property license agreement was entered into by and between SINA and us as a part of Ali WB's purchase of our ordinary and preferred shares in April 2013. Under the intellectual property license agreement, SINA grants us and our subsidiaries a perpetual, worldwide, royalty-free, fully paid-up, non-sublicensable, non-transferable, limited, exclusive license of trademarks, including “新浪微博”, “” and “”, and a non-exclusive license of certain other intellectual property owned by SINA to make, sell, offer to sell and distribute products, services and applications on a microblogging and social networking platform. We grant SINA and its affiliates a non-exclusive, perpetual, worldwide, non-sublicensable, non-transferable limited license of certain of our intellectual property to use, reproduce, modify, prepare derivative works of, perform, display or otherwise exploit such intellectual property. This agreement commenced on April 29, 2013 and will continue in effect unless and until terminated as provided in the agreement.

SINA's Registration Rights

SINA has the same registration rights as those that have been granted to Ali WB. See below “Our Relationship with Alibaba—Registration Rights Agreement.”

Our Relationship with Alibaba

In April 2013, concurrently with forming a strategic alliance with several of our affiliated entities, Alibaba invested US\$585.8 million through Ali WB, its wholly owned subsidiary, to purchase our ordinary and preferred shares representing approximately 18% of our then total outstanding shares on a fully diluted basis. The following are summaries of our strategic alliance with Alibaba and major rights that Ali WB has as our shareholder.

Strategic Collaboration with Alibaba

In April 2013, we entered into a strategic collaboration agreement and a marketing cooperation agreement to form a strategic alliance between several of our affiliated entities, including Weibo Technology, Weimeng, and Beijing SINA Internet Information Service Co., Ltd., an affiliate of SINA, and several entities affiliated with Alibaba, including Alibaba (China) Co., Ltd., Taobao (China) Software Co., Ltd., Zhejiang Tmall.com Technology Co., Ltd. and Alibaba (China) Technology Co., Ltd., to jointly explore social commerce and develop innovative marketing solutions to enable merchants on Alibaba e-commerce platforms to better connect and build relationships with Weibo users. Under these agreements, the parties agreed to cooperate on a non-exclusive basis in respect of user account sharing, data sharing, platform integration, product development, payment supporting for both personal computer and mobile businesses, marketing activities and other aspects of the parties' businesses. The strategic collaboration agreement and marketing cooperation agreement expired in January 2016. However, Alibaba is still our significant customer, as we continue to serve as an important marketing partner for Alibaba and we continue to jointly develop innovative marketing solutions for both of our customers and explore social e-commerce opportunities for their merchants.

Shareholders' Agreement

Concurrently with Alibaba's purchase of our ordinary and preferred shares in April 2013, we entered into a shareholders' agreement with Ali WB and SINA which regulates our shareholders' rights and obligations after Ali WB became our shareholder, which agreement was amended and restated in March 2014. This agreement will continue in effect unless it is terminated: (i) by written agreement among the parties; or (ii) upon the expiration of (A) all rights created under this agreement and (B) all statutes of limitations applicable to the enforcement of claims under this agreement. The following are summaries of certain rights that Ali WB is entitled to under the shareholders' agreement which continue to be valid after the completion of our initial public offering.

Ali WB's Rights Relating to Share Incentive Plan. Until the earlier of (1) April 21, 2019, the 5th anniversary of our initial public offering, and (2) certain investor exit events defined under the shareholders agreement, we are not permitted to revise our equity-based incentive plans, including our 2014 Share Incentive Plan to increase the number of securities issuable under such plans or adopt any new plan without the prior written consent of Ali WB. These rights have expired in April 2019.

Ali WB's Right of First Offer. Ali WB has the right of first offer if (1) SINA or any of its wholly owned subsidiaries desires to sell all or any portion of our shares it holds to a third party other than up to 7,000,000 ordinary shares, or (2) any management shareholder desires to sell all or any portion of our shares such shareholder holds to a third party other than up to 20% of the ordinary shares held by such shareholder as of April 29, 2013.

Ali WB's Board Representation Rights. After Ali WB exercised its option in full, it has the right to appoint a number of directors in proportion to the percentage of its ownership in our company. SINA and Ali WB have entered into a voting agreement to effect the board representation rights. See "—Voting Agreement."

Voting Agreement

Pursuant to the voting agreement entered into by SINA and Ali WB on April 24, 2014, Ali WB has the right to appoint or nominate such number of directors as is proportional to the percentage of its ownership in our company on a fully diluted basis (such number of directors to be rounded down the closest integer). Nevertheless, the number of non-independent directors Ali WB is entitled to appoint or nominate shall be no fewer than one director but no greater than the number of directors appointed or nominated by SINA as long as Ali WB holds less our shares than SINA. Ali WB's board representation rights will terminate in the event that more than 50% of its acquired shares, being the total shares of our company acquired by Ali WB in April 2013 and through the exercise of Ali WB's option under the shareholders' agreement, are transferred by Ali WB or its permitted transferees to one or more third parties or are no longer held by Alibaba directly, or indirectly through certain subsidiaries. Ali WB may assign its board representation rights to a qualified new investor to whom Ali WB transfers at least 50% of its acquired shares and who meets the requirements set forth in the shareholders agreement and the directors to be appointed by such new qualified investor must meet qualifications set forth in the voting agreement. In January 2022, Mr. Pen Hung Tung was appointed by Ali WB as a director of our company.

Registration Rights Agreement

We have entered into a registration rights agreement with SINA and Ali WB. Under the registration rights agreement, each of SINA and Ali WB has the right to require us to register the public sale of all the shares owned by them as well as the right to participate in registrations of shares by us or any of our other shareholders. SINA and Ali WB have customary rights under the registration rights agreement, such as no more than two (2) demand registration rights, unlimited piggyback registration rights, shelf registration rights and rights to request us to pay registration expenses and to bear indemnification liability. The registration rights granted to SINA or Ali WB under this agreement shall terminate when all of their registrable securities may be sold without restriction or limitation under Rule 144. The Registration Rights Agreement will continue in effect unless it is terminated by written agreement among the parties.

Contractual Arrangements

Current PRC laws and regulations impose substantial restrictions on foreign ownership of internet information services and value-added telecommunication service businesses in China. Therefore, we conduct part of our businesses through a series of agreements between our PRC subsidiaries, our consolidated affiliated Chinese entities and/or their respective shareholders. See “Item 4. Information on the Company—C. Organizational Structure—Contractual Arrangements with the VIEs and Their Respective Individual Shareholders” for a description of the contractual arrangements between Weibo Technology, the VIEs and the shareholders of VIEs.

Transactions with SINA

During 2022, we recorded US\$76.9 million in revenues billed through SINA to third parties/for services provided to SINA. We had costs and expenses allocated from SINA of US\$47.2 million and another US\$37.7 million billed by SINA for other costs and expenses associated with Weibo business. In addition, we allocated US\$0.6 million to SINA for costs and expenses related to certain of SINA’s activities for which Weibo made the payments. As of December 31, 2022, the outstanding balance of amounts due from SINA (excluding loans to and interest receivable from SINA) was US\$66.7 million.

In 2022, we entered into a series of one-year loan agreements with SINA, pursuant to which SINA is entitled to withdraw loans from us to facilitate SINA’s business operations or to meet SINA’s short term capital needs. In 2022, SINA has withdrawn a total of US\$1,261.9 million of loans from us and repaid US\$1,249.5 million to us while we recognized US\$14.8 million interest income on the loans to SINA. As of December 31, 2022, the outstanding balance of the loans to and interest receivable from SINA was US\$420.4 million.

On December 23, 2022, Weibo Hong Kong Limited, our wholly owned subsidiary, entered into certain agreement for the sale and purchase of 100% of the equity interest of Sina.com Technology (China) Co., Ltd., with SINA Hong Kong Limited, a wholly owned subsidiary of SINA Corporation, pursuant to which Weibo Hong Kong Limited agrees to purchase all equity interests in Sina.com Technology (China) Co., Ltd., a wholly-owned subsidiary of SINA Hong Kong Limited and the owner of SINA Plaza in Beijing, China, for an aggregate consideration of approximately RMB1.5 billion (US\$218.4 million), which was outstanding as of December 31, 2022 and settled in the first quarter of 2023. Subsequently, we and SINA terminated the Letter of Intent for Sina Plaza (as defined below). In 2022, we made a prepayment of US\$153.6 million for SINA Plaza to SINA according to the Letter of Intent for Sina Plaza. The total balance of prepayment for SINA Plaza was eliminated as we consolidated the financial statements of STC on December 31, 2022.

During 2021, we recorded US\$111.5 million in revenues billed through SINA to third parties/for services provided to SINA. We had costs and expenses allocated from SINA of US\$38.3 million and another US\$48.0 million billed by SINA for other costs and expenses associated with Weibo business. In addition, we allocated US\$0.8 million to SINA for costs and expenses related to certain of SINA’s activities for which Weibo made the payments. As of December 31, 2021, the outstanding balance of amounts due from SINA (excluding loans to and interest receivable from SINA) was US\$14.6 million. In 2021, we entered into a letter of intent to purchase the office building (SINA Plaza) from SINA (the “Letter of Intent for Sina Plaza”). As of December 31, 2021, the balance of prepayment for SINA Plaza was US\$133.7 million.

In 2021, we entered into a series of one-year loan agreements with SINA, pursuant to which SINA is entitled to withdraw loans from us to facilitate SINA’s business operations or to meet SINA’s short term capital needs. In 2021, SINA has withdrawn a total of US\$978.2 million of loans from us and repaid US\$1,058.6 million to us while we recognized US\$17.9 million interest income on the loans to SINA. As of December 31, 2021, the outstanding balance of the loans to and interest receivable from SINA was US\$479.6 million.

During 2020, we recorded US\$62.1 million in revenues billed through SINA to third parties/from SINA. The advertising and marketing revenues from SINA decreased from US\$113.0 million in 2019 to US\$48.4 million in 2020, as we started to offer services directly to advertisers in certain industries since 2020, leading to the decrease of revenues billed through SINA. We had costs and expenses allocated from SINA of US\$43.0 million and US\$48.3 million billed by SINA for other costs and expenses associated with Weibo business. In addition, we allocated US\$9.7 million to SINA for costs and expenses related to certain of SINA's activities for which Weibo made the payments. As of December 31, 2020, the outstanding balance of amounts due from SINA (excluding loans to and interest receivable from SINA) was US\$1.0 million.

In 2020, we entered into a series of one-year loan agreements with SINA, pursuant to which SINA is entitled to withdraw loans from us to facilitate SINA's business operations or to meet SINA's short term capital needs. In 2020, SINA has withdrawn a total of US\$473.8 million of loans from us and repaid US\$181.7 million to us while we recognized US\$13.5 million interest income on the loans to SINA. As of December 31, 2020, the outstanding balance of the loans to and interest receivable from SINA was US\$547.9 million.

Accounts receivable amounts directly related to Weibo but for which SINA will receive payments and remit payments to us, as well as accounts receivable directly from SINA are included in the amount due from SINA. Liabilities directly related to Weibo but for which SINA will make payments and receive reimbursements from us, as well as liabilities directly to SINA, are included in the amount due to SINA. The amount due from or the amount due to SINA is presented as an offsetting balance on our consolidated balance sheets. Loan from SINA is presented under cash flow from financing activities, whereas loan to SINA is presented under investing activities in the consolidated statements of cash flows. Cash payment for billings from SINA for costs and expenses allocated to Weibo is presented under operating activities in the consolidated statements of cash flows.

Costs and expenses allocated from SINA represent services that were provided by various subsidiaries and VIEs of SINA. The service fees were incurred using an allocation methodology based on proportional utilization. See “—Our Relationship with SINA” and “Notes to Consolidated Financial Statements—Note 2 Significant Accounting Policies.”

Transactions with Alibaba

During 2022, we recorded a total of US\$107.0 million in advertising and marketing revenues from Alibaba as an advertiser and US\$33.7 million of cost and expenses for the services provided by Alibaba. One of Alibaba's subsidiaries engaged in the business of advertising agency and contributed another US\$0.2 million to our total revenues during 2022. In 2022, we experienced a decline in revenue from Alibaba as an agent, due to the fact that Alibaba's subsidiary, which engaged in the business of advertising agency, changed its business cooperation model with us. They terminated their agency service and instead began providing advertising effectiveness analysis services to us. As a result, the role of the Alibaba's subsidiary has transitioned from an agent to a supplier for us. As of December 31, 2022, we had a total of US\$75.3 million in accounts receivable due from Alibaba.

During 2021, we recorded US\$139.6 million in advertising and marketing revenues from Alibaba as an advertiser and US\$44.0 million of cost and expenses for the services provided by Alibaba. One of Alibaba's subsidiaries engaged in the business of advertising agency and contributed another US\$41.7 million to our total revenues during 2021. As of December 31, 2021, we had a total of US\$89.3 million in accounts receivable due from Alibaba.

During 2020, we recorded US\$152.0 million in advertising and marketing revenues from Alibaba as an advertiser and US\$52.3 million of cost and expenses for the services provided by Alibaba. One of Alibaba's subsidiaries engaged in the business of advertising agency contributed another US\$36.6 million to our total revenues in 2020. As of December 31, 2020, we had a total of US\$135.3 million in accounts receivable due from Alibaba.

Transactions with Other Related Parties

During 2022, other than revenues generated from SINA and Alibaba, we recorded US\$48.6 million in revenues from other related parties and US\$32.3 million in cost and expenses for services received from other related parties. As of December 31, 2022, we had outstanding balances related to other related parties of US\$48.6 million in net accounts receivable, US\$21.7 million in accounts payable, and US\$6.6 million in accrued and other liabilities. Moreover, we recorded loans to and interest receivables from other related parties of US\$564.9 million at annual interest rates ranging from 4.0% to 5% as of December 31, 2022. These other related parties mainly included an equity investee in real estate business, accounting US\$454.9 million, and an investee providing online brokerage services, accounting US\$110.0 million of the outstanding balance as of December 31, 2022.

During 2021, other than revenues generated from SINA and Alibaba, we recorded US\$73.3 million in revenues from other related parties and US\$62.6 million in cost and expenses for services received from other related parties. As of December 31, 2021, we had outstanding balances related to other related parties of US\$55.8 million in accounts receivable, US\$44.3 million in accounts payable, and US\$8.3 million in accrued and other liabilities. Moreover, we recorded loans to and interest receivables from other related parties of US\$700.5 million at annual interest rates ranging from 4.0% to 10.0% as of December 31, 2021. These other related parties mainly included an equity investee in real estate business, accounting US\$480.8 million, and an investee providing online brokerage services, accounting US\$211.6 million of the outstanding balance as of December 31, 2021.

During 2020, other than revenues generated from SINA and Alibaba, we recorded US\$49.9 million in revenues from other related parties and US\$48.1 million in cost and expenses for services received from other related parties. The advertising and marketing revenues from other related parties decreased from US\$117.0 million in 2019 to US\$46.5 million in 2020, primarily due to the decline of revenues from several related parties which experienced unfavorable operating performance and reduced promotion activities on our platform. As of December 31, 2020, we had outstanding balances related to other related parties of US\$42.5 million in accounts receivable, US\$30.8 million in accounts payable, and US\$4.8 million in accrued and other liabilities. Moreover, we recorded loans to and interest receivables from other related parties of US\$158.6 million at annual interest rates ranging from 4% to 10% as of December 31, 2020, with maturity within one year. These other related parties mainly included an equity investee in e-commerce business, accounting US\$79.8 million, and an investee providing online brokerage services, accounting US\$41.2 million of the outstanding balance at the year-end. We assessed the collectability of outstanding loans at least on annual basis or whenever impairment indicators noted. During 2020, we recognized US\$82.2 million impairment charges on loans to and interest receivable from other related parties due to their unsatisfied financial performance and decline in forecasted revenues.

Employment Agreements

See “Item 6. Directors, Senior Management and Employees—B. Compensation—Employment Agreements.”

Share Incentives

See “Item 6. Directors, Senior Management and Employees—B. Compensation—Share Incentive Plans.”

C. Interests of Experts and Counsel

Not applicable.

Item 8. Financial Information

A. Consolidated Statements and Other Financial Information

We have appended consolidated financial statements at the end of this annual report filed as part of this annual report on Form 20-F.

Legal Proceedings

From time to time, we have been involved in litigation or other disputes regarding, among other things, copyright and trademark infringement, defamation, unfair competition and labor disputes.

On March 15, 2021, plaintiffs GeoSolutions B.V. and GeoSolutions Holdings N.V. filed a complaint in the California Superior Court, Santa Clara County, naming as defendants, among others, the Company, the Chairman of our Board of Directors, our Chief Executive Officer, and our parent company Sina Corporation. The complaint alleges unlawful use of Plaintiffs’ location-based services technology by the defendants and a series of other claims. The Company, together with other served defendants, have removed the case from state court to the United States District Court for the Northern District of California. See *GeoSolutions B.V. et al v. Sina.Com Online et al* (5:21-cv-08019-EJD). On December 20, 2021, the Company and certain other Non-U.S. defendants filed a motion to dismiss the complaint for lack of personal jurisdiction in the federal court. On March 4, 2022, plaintiffs filed their opposition to the motion to dismiss. On April 22, 2022, the Company and certain other Non-U.S. defendants filed their reply. On March 16, 2023, the Court granted the motion to dismiss, with leave to amend. Plaintiffs indicated their intention to file an amended complaint. We believe this action is without merit and are defending it vigorously. For risks and uncertainties relating to the pending case against us, please see “Item 3. Key Information—D. Risk Factors—Risks Relating to Our ADSs and Class A Ordinary Shares—We incur increased costs as a result of being a public company.”

For many of these legal proceedings, we are currently unable to estimate the reasonably possible loss or a range of reasonably possible loss as the proceedings are in the early stages, or there is a lack of clear or consistent interpretation of laws specific to the industry-specific complaints among different jurisdictions. As a result, there is considerable uncertainty regarding the timing or ultimate resolution of such proceedings, which includes eventual loss, fine, penalty or business impact, if any, and therefore, an estimate for the reasonably possible loss or a range of reasonably possible loss cannot be made. With respect to the limited number of proceedings for which we are able to estimate the reasonably possible loss or the range of reasonably possible loss, such estimates are immaterial. We believe that such proceedings, individually and in the aggregate, when finally resolved, are not reasonably likely to have a material and adverse effect on our results of operations, financial position and cash flows.

Dividend Policy

We have not previously declared or paid cash dividends and we have no plan to declare or pay any dividends in the near future on our shares or ADSs. We currently intend to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business.

We are a holding company incorporated in the Cayman Islands. We rely principally on dividends from our PRC subsidiaries for our cash requirements, including any payment of dividends to our shareholders. PRC regulations may restrict the ability of our PRC subsidiaries to pay dividends to us. See “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—Any limitation on the ability of our PRC subsidiaries to make payments to us, or the tax implications of making payments to us, could have a material adverse effect on our ability to conduct our business or our financial condition.”

Our board of directors has discretion as to whether to distribute dividends, subject to applicable laws. In addition, our shareholders may by ordinary resolution declare dividends, but no dividend may exceed the amount recommended by our directors. Under Cayman Islands law, our company may pay dividends only out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business. Even if our board of directors decides to pay dividends, the form, frequency and amount will depend upon our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the board of directors may deem relevant. If we pay any dividends, our depository will distribute such dividends to our ADS holders to the same extent as holders of our ordinary shares, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. See “Item 12. Description of Securities Other than Equity Securities—D. American Depositary Shares.” Cash dividends on our ordinary shares, if any, will be paid in U.S. dollars.

B. Significant Changes

We have not experienced any significant changes since the date of our audited consolidated financial statements included in this annual report.

Item 9. Offer and Listing

A. Offer and Listing Details

Our ADSs, each representing one of our Class A ordinary shares, have been quoted on the Nasdaq Global Select Market system under the symbol “WB” since April 17, 2014.

Our Class A ordinary shares have been listed on the Hong Kong Stock Exchange since December 8, 2021 under the stock code “9898.”

B. Plan of Distribution

Not applicable.

C. Markets

Our ADSs, each representing one of our Class A ordinary shares, have been quoted on the Nasdaq Global Select Market system under the symbol “WB” since April 17, 2014.

Our Class A ordinary shares have been listed on the Hong Kong Stock Exchange since December 8, 2021 under the stock code “9898.”

D. Selling Shareholders

Not applicable.

E. Dilution

Not applicable.

F. Expenses of the Issue

Not applicable.

Item 10. Additional Information

A. Share Capital

Not applicable.

B. Memorandum and Articles of Association

We are a Cayman Islands exempted company and our affairs are governed by our current third memorandum and articles of association, the Companies Act (As Revised) of the Cayman Islands, referred to as the Companies Act below, and the common law of the Cayman Islands. The following are summaries of certain provisions of our memorandum and articles of association in effect as of the date of this annual report insofar as they relate to the material terms of our ordinary shares.

Registered Office and Objects

Our registered office in the Cayman Islands is located at the offices of Vistra (Cayman) Limited P.O. Box 31119 Grand Pavilion Hibiscus Way, 802 West Bay Road Grand Cayman, KY1-1205, Cayman Islands. The memorandum of association provides, inter alia, that the liability of each of the members of our company is limited to the amount from time to time unpaid on such member’s shares. The objects for which our company is established are unrestricted, and we shall have full power and authority to carry out any object not prohibited or limited by the Companies Act.

Board of Directors

See “Item 6. Directors, Senior Management and Employees—C. Board Practices—Duties of Directors” and “Item 6. Directors, Senior Management and Employees—C. Board Practices—Terms of Directors and Executive Officers.”

Ordinary Shares

General

Certificates representing the ordinary shares are issued in registered form. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their ordinary shares. Our company will issue only non-negotiable shares, and will not issue bearer or negotiable shares.

Register of Members

Under Cayman Islands law, we must keep a register of members and there should be entered therein:

- the names and addresses of the members, together with a statement of the shares held by each member, and such statement shall confirm (i) of the amount paid or agreed to be considered as paid, on the shares of each member, (ii) the number and category of shares held by each member, and (iii) whether each relevant category of shares held by a member carries voting rights under the articles of association of the company, and if so, whether such voting rights are conditional;
- the date on which the name of any person was entered on the register as a member; and
- the date on which any person ceased to be a member.

Under Cayman Islands law, the register of members of our company is prima facie evidence of the matters set out therein (i.e., the register of members will raise a presumption of fact on the matters referred to above unless rebutted) and a member registered in the register of members is deemed as a matter of Cayman Islands law to have legal title to the shares as set against its name in the register of members. Upon the completion of our initial public offering, our company's register of members was updated to record and give effect to the issue of shares by us to the Depositary (or its nominee) as the depositary, and the shareholders recorded in the register of members are deemed to have legal title to the shares set against their name.

If the name of any person is incorrectly entered in or omitted from our register of members, or if there is any default or unnecessary delay in entering on the register the fact of any person having ceased to be a member of our company, the person or member aggrieved (or any member of our company or our company itself) may apply to the Grand Court of the Cayman Islands for an order that the register be rectified, and the Court may either refuse such application or it may, if satisfied of the justice of the case, make an order for the rectification of the register.

Dividends

The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors or shareholders in general meeting (provided always no dividend may exceed the amount recommended by our directors, and provided further that dividends may be declared and paid only out of funds legally available therefor, namely out of either profit or our share premium account, and provided further that a dividend may not be paid if this would result in our company being unable to pay its debts as they fall due in the ordinary course of business).

Classes of Ordinary Shares

Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Except for conversion rights and voting rights, the Class A ordinary shares and Class B ordinary shares shall carry equal rights and rank pari passu with one another, including but not limited to the rights to dividends and other capital distributions.

Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof. In addition, each Class B ordinary share shall automatically and immediately be converted (by way of being re-designated) into one Class A ordinary share upon (a) any sale, transfer, assignment or disposition of Class B ordinary shares by a holder thereof to any person or entity which is not Mr. Charles Chao (the "Founder") or a Founder's Affiliate (as defined in our memorandum and articles of association); or (b) a change of control of any direct or indirect holder of any Class B ordinary shares, including but not limited to, any person other than the Founder or a Founder's Affiliate gaining "Control" over any of SINA Parent Companies (e.g. by entering into an agreement with the Founder to jointly control the SINA Parent Companies), and even if the Founder or a Founder's Affiliate remains to have joint "Control" of the SINA Parent Companies, such Class B ordinary shares shall be automatically and immediately converted (by way of being re-designated) into an equal number of Class A ordinary shares. Moreover, each Class B ordinary share shall automatically and immediately be converted (by way of being re-designated) into one Class A ordinary share if at any time SINA and its Affiliates (as defined in our memorandum and articles of association) in the aggregate hold less than five percent (5)% of the issued Class B ordinary shares in our company, and no Class B ordinary shares shall be issued by our company thereafter. Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances.

“Control” shall mean having (A) the power to control the management or elect a majority of members to the board of directors or equivalent decision-making body of, or (B) the power to exercise or control the exercise of 50% or more of the voting power (through power of attorney, voting proxies, shareholders’ agreements or otherwise) at the general meetings or other equivalent decision-making body of, such corporation, partnership or other entity. “SINA Parent Companies” shall mean the holding companies of Weibo Corporation, including New Wave MMXV Limited, Sina Group Holding Company Limited, SINA Corporation and any other intermediate holding company(ies) of Sina Corporation that may be established in the future.

Voting Rights

Holders of ordinary shares have the right to receive notice of, attend, speak and vote at general meetings of our company except where a shareholder is required, by the rules of the stock exchange on which the Company’s ADSs or shares are listed for trading, to abstain from voting to approve the matter under consideration. Holders of Class A ordinary shares and Class B ordinary shares shall, at all times, vote together as one class on all matters submitted to a vote by the members at any such general meeting. Each Class A ordinary share shall be entitled to one vote on all matters subject to the vote at general meetings of our company, and each Class B ordinary share shall be entitled to three votes on all matters subject to the vote at general meetings of our company. Voting at any meeting of shareholders is by show of hands unless a poll is demanded. A poll may be demanded by the chairman of such meeting or any one shareholder present in person or by proxy.

Maples and Calder (Hong Kong) LLP, our counsel as to Cayman Islands law, has advised that such voting structure is in compliance with current Cayman Islands law as in general terms, a company and its shareholders are free to provide in the articles of association for such rights as they consider appropriate, subject to such rights not being contrary to any provision of the Companies Act and not inconsistent with common law. Maples and Calder (Hong Kong) LLP has confirmed that the inclusion in our memorandum and articles of association of provisions giving weighted voting rights to specific shareholders generally or on specific resolutions is not prohibited by the Companies Act. Further, weighted voting provisions have been held to be valid as a matter of English common law and therefore it is expected that such would be upheld by a Cayman Islands court.

An ordinary resolution to be passed by the shareholders requires the affirmative vote of a simple majority of the votes attached to the ordinary shares cast by those shareholders who are present in person or by proxy at a general meeting, while a special resolution requires the affirmative vote of no less than two-thirds of the votes attached to the ordinary shares cast by those shareholders who are present in person or by proxy at a general meeting. Both ordinary resolutions and special resolutions may also be passed by a unanimous written resolution signed by all the shareholders of our company, as permitted by the Companies Act and our memorandum and articles of association. A special resolution will be required for important matters such as a change of name or making changes to our memorandum and articles of association.

Transfer of Ordinary Shares

Any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board of directors.

However, our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which our company has a lien. Our board of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class ordinary of shares;
- the instrument of transfer is properly stamped (in circumstances where stamping is required);
- the ordinary shares transferred are free of any lien in favor of us;
- any fee related to the transfer has been paid to us; and
- in the case of a transfer to joint holders, the number of joint holders to which the share is to be transferred does not exceed four.

If our directors refuse to register a transfer they are required, within two months after the date on which the instrument of transfer was lodged, to send to each of the transferor and the transferee notice of such refusal.

Liquidation

On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of ordinary shares), assets available for distribution among the holders of ordinary shares will be distributed among the holders of the ordinary shares on a pro rata basis. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders proportionately. We are a “limited liability” company registered under the Companies Act, and under the Companies Act, the liability of our members is limited to the amount, if any, unpaid on the shares respectively held by them. Our memorandum of association contains a declaration that the liability of our members is so limited.

Calls on Ordinary Shares and Forfeiture of Ordinary Shares

Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their ordinary shares. The ordinary shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption, Repurchase and Surrender of Ordinary Shares

We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders thereof, on such terms and in such manner as may be determined, before the issue of such shares, by our board of directors or by a special resolution of our shareholders. Our company may also repurchase any of our shares provided that the manner and terms of such purchase have been approved by our board of directors or are otherwise authorized by our memorandum and articles of association. Under the Companies Act, the redemption or repurchase of any share may be paid out of our company’s profits or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if our company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Act no such share may be redeemed or repurchased (a) unless it is fully paid up, (b) if such redemption or repurchase would result in there being no shares outstanding, or (c) if the company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.

Variations of Rights of Shares

If at any time, our share capital is divided into different classes of shares, all or any of the rights attached to any class of shares may be varied or abrogated with the consent in writing of the holders of not less than two-thirds 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 shares of that class. The rights conferred upon the holders of the shares of any class issued with preferred or other rights will not, unless otherwise expressly provided in the rights attaching to or the terms of issue of the shares of that class, be deemed to be varied or abrogated by the creation or issue of further shares ranking pari passu with such existing class of shares.

General Meetings of Shareholders and Shareholder Proposals

As a Cayman Islands exempted company, we are not obliged by the Companies Act to call shareholders’ annual general meetings. Our memorandum and articles of association provide that we shall in each year hold a general meeting as our annual general meeting in which case we shall specify the meeting as such in the notices calling it, and the annual general meeting shall be held at such time and place as may be determined by our directors.

Shareholders’ annual general meetings and any other general meetings of our shareholders may be convened by a majority of our board of directors. Advance notice of at least fourteen calendar days is required for the convening of our annual general shareholders’ meeting and any other general meeting of our shareholders. A quorum required for a general meeting of shareholders consists of one or more shareholders together holding at the date of the relevant meeting not less than 10% of all votes attaching to all shares present in person or by proxy, which carry the right to vote at general meetings.

Cayman Islands law provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our memorandum and articles of association allow one or more shareholders holding shares representing in aggregate not less than 10% of all votes attaching to all shares present in person or by proxy, on a one vote per share basis, which carry the right to vote at general meetings to requisition an extraordinary general meeting of the shareholders, in which case our directors are obliged to call such meeting and to put the resolutions so requisitioned to a vote at such meeting; however, our memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

Election and Removal of Directors

Unless otherwise determined by our company in general meeting, our memorandum and articles of association provide that our board of directors will consist of not less than two directors. There are no provisions relating to retirement of directors upon reaching any age limit.

The directors have the power to appoint any person as a director either to fill a casual vacancy on the board or as an addition to the existing board. Any director so appointed shall hold office only until the next following annual general meeting of our company and shall then be eligible for re-election at that meeting. At each annual general meeting, one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation. The directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. A retiring director shall retain office until the close of the meeting at which he retires, and shall be eligible for re-election thereat.

Our shareholders may also appoint any person to be a director by way of ordinary resolution.

A director may be removed with or without cause by an ordinary resolution of our shareholders. The office of a director shall also be vacated automatically if, among other things, the director (1) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally; or (2) an order is 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 and the board of directors resolves that his office be vacated; or (3) without leave, is absent from meetings of the board for a continuous period of 12 months, and the board resolves that his office be vacated; or (4) ceases to be or is prohibited from being a director by law or by virtue of any provisions in our articles of association; or (5) is removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of our directors (including himself) then in office.

Proceedings of Board of Directors

Our memorandum and articles of association provide that our business is to be managed and conducted by our board of directors. The quorum necessary for board meetings may be fixed by the board and, unless so fixed at another number, will be a majority of the directors then in office.

Our memorandum and articles of association provide that our board of directors may from time to time at its discretion exercise all powers of our company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of our company and to mortgage or charge the undertaking, property and assets (present and future) and uncalled capital of our company and issue debentures, bonds and other securities of our company, whether outright or as collateral security for any debt, liability or obligation of our company or of any third party.

Inspection of Books and Records

Holders of our ordinary shares have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records (other than the memorandum and articles of association, the register of mortgages and charges, and copies of any special resolutions passed by our shareholders). However, we intend to provide our shareholders with annual audited financial statements.

Changes in Capital

Our shareholders may from time to time by ordinary resolution:

- increase our share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe;
- consolidate and divide all or any of our share capital into shares of a larger amount than our existing shares;
- sub-divide our existing shares, or any of them into shares of a smaller amount; provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived; or
- cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of our share capital by the amount of the shares so cancelled.

Our shareholders may by special resolution, subject to confirmation by the Grand Court of the Cayman Islands on an application by our company for an order confirming such reduction, reduce our share capital or any capital redemption reserve in any manner permitted by law.

Exempted Company

We are an exempted company with limited liability under the Companies Act. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except for the exemptions and privileges listed below:

- an exempted company does not have to file an annual return of its shareholders with the Registrar of Companies;
- an exempted company's register of members is not required to be open to inspection;
- an exempted company does not have to hold an annual general meeting;
- an exempted company may issue no par value shares;
- an exempted company may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);
- an exempted company may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- an exempted company may register as a limited duration company; and
- an exempted company may register as a segregated portfolio company.

"Limited liability" means that the liability of each shareholder is limited to the amount unpaid by the shareholder on that shareholder's shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil). We are subject to reporting and other informational requirements of the Exchange Act, as applicable to foreign private issuers. Except as otherwise disclosed in this annual report on Form 20-F, we currently intend to comply with the Nasdaq rules in lieu of following home country practice.

Differences in Corporate Law

The Companies Act is derived, to a large extent, from the older Companies Acts of England but does not follow recent United Kingdom statutory enactments, and accordingly there are significant differences between the Companies Act and the current Companies Act of England. In addition, the Companies Act differs from laws applicable to United States corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Act applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements

The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company and (b) a "consolidation" means the combination of two or more constituent companies into a combined company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company, and (b) such other authorization, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

In addition, there are statutory provisions that facilitate the reconstruction and amalgamation of companies; provided that the arrangement is approved by (a) 75% in value of shareholders; or (b) a majority in number representing 75% in value of creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act.

When a takeover offer is made and accepted by holders of 90% of the shares affected within four months, the offeror may, within a two-month period commencing on the expiration of such four-month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction is thus approved, the dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits

In principle, we will normally be the proper plaintiff and as a general rule a derivative action may not be brought by a minority shareholder. However, 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 apply and follow 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, a company to challenge the following:

- an acts which is illegal or ultra vires;
- an act which, although not ultra vires, could only be effected duly if authorized by a special or qualified majority vote that has not been obtained; and
- an act which constitutes a fraud on the minority where the wrongdoers are themselves in control of the company.

Indemnification of Directors and Executive Officers and Limitation of Liability

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our memorandum and articles of association provide that our directors and officers shall be indemnified out of the assets and profits of our company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation. In addition, we have entered into indemnification agreements with our directors and senior executive officers that provide such persons with additional indemnification beyond that provided in our memorandum and articles of association.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Anti-Takeover Provisions in the Memorandum and Articles of Association

Some provisions of our memorandum and articles of association may discourage, delay or prevent a change in control of our company or management that shareholders may consider favorable, including provisions that authorize our board of directors to issue preferred shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preferred shares without any further vote or action by our shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our memorandum and articles of association, as amended and restated from time to time, for a proper purpose and for what they believe in good faith to be in the best interests of our company.

Directors' Fiduciary Duties

Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director act in a manner he or she reasonably believes to be in the best interests of the corporation. He or she must not use his or her corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, a director must prove the procedural fairness of the transaction and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore he owes the following duties to the company—a duty to act in good faith in the best interests of the company, a duty not to make a personal profit based on his or her position as director (unless the company permits him to do so), a duty not to put himself in a position where the interests of the company conflict with his or her personal interest or his or her duty to a third party and a duty to exercise powers for the purpose for which such powers were intended. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his or her duties a greater degree of skill than may reasonably be expected from a person of his or her knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands.

Shareholder Proposals

Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. The Delaware General Corporation Law does not provide shareholders an express right to put any proposal before the annual meeting of shareholders, but in keeping with common law, Delaware corporations generally afford shareholders an opportunity to make proposals and nominations provided that they comply with the notice provisions in the certificate of incorporation or bylaws. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

Cayman Islands law provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our memorandum and articles of association provides that, on the requisition of any one or more shareholders holding shares representing in aggregate not less than 10% of all votes attaching to all shares present in person or by proxy, on a one vote per share basis, which carry the right to vote at general meetings, the board shall convene an extraordinary general meeting. However, our memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders. As a Cayman Islands exempted company, we are not obliged by law to call shareholders' annual general meetings, but our memorandum and articles of association obliges our company in each year to hold a general meeting as our annual general meeting in addition to any other meeting in that year. The annual general meeting may be held at such time and place as our board of directors shall appoint.

Cumulative Voting

Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. Cayman Islands law does not prohibit cumulative voting, but our memorandum and articles of association do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of Directors

Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our memorandum and articles of association, directors may be removed with or without cause by ordinary resolution of our shareholders. The office of a director shall also be vacated automatically if, among other things, the director (1) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally; or (2) an order is 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 and our board of directors resolves that his office be vacated; or (3) without leave, is absent from meetings of the board for a continuous period of 12 months, and our board of directors resolves that his office be vacated; or (4) ceases to be or is prohibited from being a director by law or by virtue of any provisions in our memorandum and articles of association; or (5) is removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of our directors (including himself) then in office.

Transactions with Interested Shareholders

The Delaware General Corporation Law contains a business combination statute applicable to Delaware public corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation or bylaws that is approved by its shareholders, it is prohibited from engaging in certain business combinations with an “interested shareholder” for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target’s outstanding voting stock or who or which is an affiliate or associate of the corporation and owned 15% or more of the corporation’s outstanding voting stock within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target’s board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, the directors of the Company are required to comply with fiduciary duties which they owe to the Company under Cayman Islands laws, including the duty to ensure that, in their opinion, any such transactions must be entered into bona fide in the best interests of the company and for a proper corporate purpose and not with the effect of constituting a fraud on the minority shareholders.

Dissolution; Winding Up

Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation’s outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board. Under Cayman Islands law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company is unable to pay its debts as they fall due, by an ordinary resolution of its members. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

Variation of Rights of Shares

Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under Cayman Islands law and our memorandum and articles of association, if our share capital is divided into more than one class of shares, we may vary the rights attached to any class only with the written consent of the holders of not less than two-thirds 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 shares of that class.

Amendment of Governing Documents

Under the Delaware General Corporation Law, a corporation’s certificate of incorporation may be amended only if adopted and declared advisable by the board of directors and approved by a majority of the outstanding shares entitled to vote and the bylaws may be amended with the approval of a majority of the outstanding shares entitled to vote and may, if so provided in the certificate of incorporation, also be amended by the board of directors. Under the Companies Act and our memorandum and articles of association, our memorandum and articles of association may only be amended by a special resolution of our shareholders.

Rights of Non-Resident or Foreign Shareholders

There are no limitations imposed by our memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

Directors' Power to Issue Shares.

Under our memorandum and articles of association, our board of directors is empowered to issue or allot shares or grant options and warrants with or without preferred, deferred, qualified or other special rights or restrictions.

C. Material Contracts

We have not entered into any material contracts for the two years immediately preceding the date of this annual report other than in the ordinary course of business and other than those described elsewhere in this annual report on Form 20-F.

D. Exchange Controls

See “Item 4. Information on the Company—B. Business Overview—Regulation—Regulations on Foreign Exchange.” and “Item 3. Key Information—D. Risk Factors—Risks Relating to Doing Business in China—We may be subject to penalties, including restriction on our ability to inject capital into our PRC subsidiary and our PRC subsidiary’s ability to distribute profits to us, if our PRC resident shareholders beneficial owners fail to comply with relevant PRC foreign exchange rules.”

E. Taxation

The following summary of material Cayman Islands, PRC and U.S. federal income tax considerations generally applicable to an investment in our ADSs or Class A ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this annual report, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in our ADSs or Class A ordinary shares, such as the tax consequences under state, local and other tax laws.

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation, and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or brought within, the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties which are applicable to any payments made by or to our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

People’s Republic of China Taxation

Although we are incorporated in the Cayman Islands, we may be treated as a PRC resident enterprise for PRC tax purposes under the Enterprise Income Tax Law. The Enterprise Income Tax Law provides that an enterprise established under the laws of a foreign country or region but whose “de facto management body” is located in the PRC is treated as a PRC resident enterprise for PRC tax purposes and consequently subject to the PRC income tax at the rate of 25% on its global income. The implementing rules of the Enterprise Income Tax Law merely define the location of the “de facto management body” as the place where the “organizational body which effectively manages and controls the production and business operation, personnel, accounting, properties and other aspects of operations of an enterprise” is located. Based on a review of surrounding facts and circumstances, we do not believe that Weibo Corporation or Weibo HK should be considered a PRC resident enterprise for PRC tax purposes. However, there is limited guidance and implementation history of the Enterprise Income Tax Law, and if Weibo Corporation is treated as a PRC resident enterprise for PRC tax purposes, it will be subject to PRC tax on its global income at a uniform tax rate of 25%.

In addition, if Weibo Corporation is a PRC resident enterprise, PRC income tax at the rate of 10% will generally be applicable to interest and dividends payable by us to investors that are “non-resident enterprises” of the PRC, if such investors do not have an establishment or place of business in the PRC, or if they have such establishment or place of business in the PRC but the relevant income is not effectively connected with such establishment or place of business, to the extent such interest or dividends have their sources within the PRC. Such 10% tax rate could be reduced by applicable tax treaties or similar arrangements between China and the jurisdiction of the investor. For example, for investors in Hong Kong, the tax rate is reduced to 7% for interest payments and 5% for dividends.

Furthermore, any gain realized on the transfer of our ADSs or Class A ordinary shares by such investors would also be subject to PRC income tax at 10% if such gain is regarded as income derived from sources within the PRC.

As most of our operations are located within the PRC, interest and dividends payable by us to you, as well as any gain you may realize from the sale of our ADSs or Class A ordinary shares, may be deemed to be derived from sources within China. As a result, if we are treated as a “resident enterprise” for PRC tax purposes, such interest, dividends and gain may be subject to PRC tax. Any such tax may materially and adversely affect the value of your investment in our ADSs and Class A ordinary shares.

U.S. Federal Income Tax Considerations

The following discussion is a summary of U.S. federal income tax considerations generally applicable to the ownership and disposition of our ADSs or Class A ordinary shares by U.S. Holders (as defined below) that will hold our ADSs or Class A ordinary shares as “capital assets” (generally, property held for investment) under the U.S. Internal Revenue Code of 1986, as amended (the “Code”). This discussion is based upon applicable provisions of the Code, Treasury regulations promulgated thereunder (the “Regulations”), pertinent judicial decisions and interpretive rulings of the Internal Revenue Service (the “IRS”), all of which are subject to change and differing interpretations, possibly with retroactive effect. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to particular investors in light of their individual investment circumstances, including investors subject to special tax rules (for example, certain financial institutions, insurance companies, broker-dealers, pension plans, regulated investment companies, real estate investment trusts, cooperatives, tax-exempt organizations (including private foundations), holders who are not U.S. Holders, holders who own (directly, indirectly or constructively) 10% or more of our equity (by vote or value), investors that will hold their ADSs or Class A ordinary shares as part of a straddle, hedge, conversion, constructive sale, or other integrated transaction for U.S. federal income tax purposes, investors that are traders in securities that have elected the mark-to-market method of accounting, investors that have a functional currency other than the U.S. dollar or certain former citizens or long-term residents of the United States), all of whom may be subject to tax rules that differ significantly from those discussed below.

In addition, this discussion does not address any non-U.S., state, local or any U.S. federal estate, gift, alternative minimum tax or Medicare contribution tax considerations. You should consult your tax advisor regarding the U.S. federal, state, local and non-U.S. income and other tax considerations with respect to owning and disposing of our ADSs or Class A ordinary shares.

General

For the purposes of this discussion, a “U.S. Holder” is a beneficial owner of our ADSs or Class A ordinary shares that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States, (ii) a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source or (iv) a trust that (A) is subject to the primary supervision of a court within the United States and the control of one or more United States persons with respect to all substantial decisions or (B) has a valid election in effect under applicable Regulations to be treated as a United States person.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds our ADSs or Class A ordinary shares, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Partnerships holding our ADSs or Class A ordinary shares and their partners should consult their tax advisors regarding the tax considerations applicable to holding and disposing of our ADSs or Class A ordinary shares.

The discussion below assumes that the representations contained in the deposit agreement are true and that the obligations in the deposit agreement and any related agreement have been and will be complied with in accordance with the terms thereof. A U.S. Holder that holds ADSs will generally be treated as the holder of the underlying Class A ordinary shares represented by those ADSs for U.S. federal income tax purposes.

Passive Foreign Investment Company Considerations

A non-U.S. corporation, such as our company, will be classified as a passive foreign investment company (a “PFIC”) for U.S. federal income tax purposes for any taxable year if either (i) 75% or more of its gross income for such year consists of “passive” income or (ii) 50% or more of the value of its assets (generally determined on the basis of a quarterly average) during such year produce or are held for the production of passive income. Passive income generally includes dividends, interest, royalties, rents, annuities, net gains from the sale or exchange of property producing such income and net foreign currency gains. For this purpose, cash and assets readily convertible into cash are generally categorized as passive assets, and goodwill and other unbooked intangibles associated with active business activity are generally taken into account as non-passive assets. We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, at least 25% (by value) of the stock.

Although the law in this regard is not entirely clear, we treat the VIEs as being owned by us for U.S. federal income tax purposes because we control their management decisions, we are entitled to substantially all of their economic benefits, and, as a result, we consolidate their results of operations in our consolidated U.S. GAAP financial statements. If it were determined, however, that we do not own the VIEs for U.S. federal income tax purposes, it may increase the likelihood that we will be treated as a PFIC for our current taxable year and any subsequent taxable year.

Based upon our income and assets (including unbooked goodwill), as well as the market price of our ADSs and Class A ordinary shares, we believe that we will likely be classified as a PFIC for the taxable year ended December 31, 2022. Depending on the composition of our income and assets and the market price of our ADSs and Class A ordinary shares during the current and subsequent taxable years, we could continue to be classified as a PFIC for such years. PFIC status is a factual determination made annually and is generally not determinable until after the close of each taxable year, however. Furthermore, even if the composition of our assets and income were to change such that we believed that we were not a PFIC, there are uncertainties in the application of the relevant rules, and it is possible that the IRS may challenge our classification of certain income or assets as non-passive, or our valuation of our goodwill and other unbooked intangibles, all of which could increase the likelihood of us becoming classified as a PFIC for the current or subsequent taxable years. Accordingly, there can be no assurance regarding our PFIC status for our current or subsequent taxable years.

If we are classified as a PFIC for any taxable year during which a U.S. Holder holds our ADSs or Class A ordinary shares, the PFIC rules discussed below under “—Passive Foreign Investment Company Rules” will generally apply to such U.S. Holder for such taxable year and, unless the U.S. Holder makes certain elections, will generally apply in future years even if we cease to be a PFIC for U.S. federal income tax purposes.

Dividends

As noted above, we were likely a PFIC for our most recent taxable year ended December 31, 2022, and may also be a PFIC for our current taxable year. Accordingly, the treatment most likely to apply to a U.S. Holder is set forth below in “—Passive Foreign Investment Company Rules.” If our ADSs or Class A ordinary shares are not treated as stock of a PFIC with respect to a particular U.S. Holder, the following rules will generally apply. Any distributions (including the amount of any PRC tax withheld) paid on our ADSs or Class A ordinary shares out of our current or accumulated earnings and profits (as determined using U.S. federal income tax principles) will generally be includible in a U.S. Holder’s gross income as ordinary dividend income on the day actually or constructively received by such holder, in the case of Class A ordinary shares, or by the depository, in the case of ADSs. Because we do not intend to determine our earnings and profits using U.S. federal income tax principles, any distribution paid will generally be treated as dividend income for U.S. federal income tax purposes. Dividends received on our ADSs or Class A ordinary shares will not be eligible for the dividends received deduction allowed to corporations under the Code.

Individuals and other non-corporate U.S. Holders will generally be subject to tax on any such dividends at the lower capital gains tax rate applicable to “qualified dividend income,” provided that certain conditions are satisfied, including that (i) our ADSs or Class A ordinary shares on which the dividends are paid are readily tradable on an established securities market in the United States, or, if we are deemed to be a PRC resident enterprise under the PRC tax law, we are eligible for the benefits of the U.S.-PRC income tax treaty (the “Treaty”), (ii) we are neither a PFIC nor treated as such with respect to the U.S. Holder (as discussed below) for the taxable year in which the dividend was paid or the preceding taxable year, and (iii) certain holding period requirements are met. Our ADSs, but not our Class A ordinary shares, are listed on the Nasdaq Global Select Market so we anticipate that our ADSs should qualify as readily tradable on an established securities market in the United States, although there can be no assurances in this regard.

For U.S. foreign tax credit purposes, dividends received on our ADSs or Class A ordinary shares will generally be treated as income from foreign sources and will generally constitute passive category income. If we are deemed to be a PRC resident enterprise under PRC tax law, a U.S. Holder may be subject to PRC withholding taxes on such dividends. Depending on a U.S. Holder’s particular circumstances, such holder may be eligible, subject to a number of complex limitations, to claim a foreign tax credit in respect of any nonrefundable foreign withholding taxes imposed on such dividends. If a U.S. Holder does not elect to claim a foreign tax credit for foreign tax withheld, such holder is permitted instead to claim a deduction for U.S. federal income tax purposes for the foreign tax withheld, but only for a year in which such holder elects to do so for all creditable foreign income taxes. The rules governing the foreign tax credit are complex. U.S. Holders should consult their tax advisors regarding the availability of the foreign tax credit in their particular circumstances.

Sale or Other Disposition of ADSs or Class A Ordinary Shares

A U.S. Holder will generally recognize capital gain or loss upon the sale or other taxable disposition of our ADSs or Class A ordinary shares in an amount equal to the difference, if any, between the amount realized upon the disposition and such holder's adjusted tax basis in such ADSs or Class A ordinary shares, both determined in U.S. dollars. Any such capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the ADSs or Class A ordinary shares exceeds one year at the time of disposition and such gain or loss will generally be U.S.-source gain or loss for U.S. foreign tax credit purposes, which may limit the U.S. Holder's ability to claim a foreign tax credit in respect of any foreign tax imposed on the disposition unless the U.S. Holder has other income that is treated as derived from foreign sources. The deductibility of capital losses is subject to limitations.

If, however, we were deemed to be a PRC resident enterprise under PRC tax law, and gain from the disposition of the ADSs or Class A ordinary shares were subject to tax in the PRC, a Treaty-eligible U.S. Holder may apply the Treaty to treat such gain as PRC-source gain for U.S. foreign tax credit purposes. Treaty-eligible U.S. Holders that do not apply the Treaty and U.S. Holders that are not Treaty-eligible may not be able to claim a foreign tax credit for any PRC tax imposed on a sale or other disposition of our ADSs or Class A ordinary shares. Any such U.S. Holder may instead elect to deduct such taxes in computing its taxable income for U.S. federal income tax purposes, but only for a year in which such U.S. Holder elects to do so for all foreign taxes paid or accrued during such year. The rules regarding foreign tax credits and the deductibility of foreign taxes are complex. U.S. Holders should consult their tax advisors regarding the availability of a foreign tax credit or a deduction in lieu thereof in light of their particular circumstances, as well as with respect to their eligibility for benefits under the Treaty.

Passive Foreign Investment Company Rules

If we are a PFIC for any taxable year during which a U.S. Holder holds our ADSs or Class A ordinary shares, such holder will be subject to special tax rules with respect to any "excess distribution" that such holder receives and any gain such holder realizes from a sale or other disposition (including a pledge) of our ADSs or Class A ordinary shares, unless such holder makes a "mark-to-market" election as discussed below. Distributions a U.S. Holder receives in a taxable year that are greater than 125% of the average annual distributions such holder received during the shorter of the three preceding taxable years or such holder's holding period for the ADSs or Class A ordinary shares will be treated as excess distributions. Under these special tax rules:

- any excess distribution or gain will be allocated ratably over such holder's holding period for the ADSs or Class A ordinary shares;
- amounts allocated to the current taxable year and to any taxable years in such holder's holding period prior to the first taxable year in which we are classified as a PFIC (a "pre-PFIC year") will be taxable as ordinary income; and
- amounts allocated to each prior taxable year, other than the current taxable year or a pre-PFIC year, will be subject to tax at the highest tax rate in effect applicable to such holder for that year, and such amounts will be increased by an additional tax equal to interest on the resulting tax deemed deferred with respect to such years (an "interest charge").

Alternatively, a U.S. Holder of "marketable stock" (as defined below) in a PFIC may make a mark-to-market election for such stock of a PFIC to elect out of the excess distribution regime described above. If a U.S. Holder makes a valid mark-to-market election for its ADSs or Class A ordinary shares, such holder will include in income each year an amount equal to the excess, if any, of the fair market value of the ADSs or Class A ordinary shares as of the close of such holder's taxable year over such holder's adjusted basis in such ADSs or Class A ordinary shares at such time. The U.S. Holder will be allowed a deduction for the excess, if any, of the adjusted basis of the ADSs or Class A ordinary shares over their fair market value as of the close of the taxable year. However, deductions will be allowable only to the extent of any net mark-to-market gains on the ADSs or Class A ordinary shares included in the U.S. Holder's income for prior taxable years. Amounts included in the U.S. Holder's income under a mark-to-market election, as well as gain on the actual sale or other disposition of the ADSs or Class A ordinary shares in a year that we are a PFIC, will be treated as ordinary income. Ordinary loss treatment will also apply to the deductible portion of any mark-to-market loss on the ADSs or Class A ordinary shares, as well as to any loss realized on the actual sale or disposition of the ADSs or Class A ordinary shares in a year that we are a PFIC, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included in income for such ADSs or Class A ordinary shares. A U.S. Holder's basis in the ADSs or Class A ordinary shares will be adjusted to reflect any such gain or loss amounts. If a U.S. Holder makes a mark-to-market election, tax rules that apply to distributions by corporations that are not PFICs would apply to distributions by us (except that the lower applicable capital gains rate would not apply). If a U.S. Holder makes a valid mark-to-market election, and we subsequently cease to be classified as a PFIC, such holder will not be required to take into account the mark-to-market income or loss described above during any period during which we are not classified as a PFIC.

The mark-to-market election is available only for “marketable stock,” which is stock that is traded other than in de minimis quantities on at least 15 days during each calendar quarter (“regularly traded”) on a qualified exchange or other market, as defined in applicable Regulations. Our ADSs are listed on the Nasdaq Global Select Market, which is a qualified exchange for these purposes, and, consequently, assuming that the ADSs are regularly traded, it is expected that the mark-to-market election will be available to U.S. Holders of ADSs if we are or become a PFIC. Our Class A ordinary shares are listed on the Hong Kong Stock Exchange, which must meet certain trading, listing, financial disclosure and other requirements to be treated as a qualified exchange for these purposes, and no assurance can be given that our Class A ordinary shares will be regularly traded for purposes of the mark-to-market election.

In addition, because, as a technical matter, a mark-to-market election cannot be made for any lower-tier PFICs that we may own (as discussed below), a U.S. Holder may continue to be subject to the general PFIC rules with respect to such holder’s indirect interest in any investment held by us that is treated as an equity interest in a PFIC for U.S. federal income tax purposes.

A holder of shares in a PFIC can sometimes avoid the interest charge imposed by the PFIC rules by making a qualified electing fund election, in which case such holder would generally be required to include in income on a current basis such holder’s pro rata share of the PFIC’s ordinary earnings as ordinary income and such holder’s pro rata share of the PFIC’s net capital gains as capital gain. We do not intend to provide the information necessary for U.S. Holders to make qualified electing fund elections, however, and we make no undertaking to provide such information in the event that we are or become a PFIC.

If we are a PFIC for any taxable year during which a U.S. Holder holds our ADSs or Class A ordinary shares and any of our non-U.S. subsidiaries are also PFICs, such holder will be treated as owning a proportionate amount (by value) of the shares of each such non-U.S. subsidiary classified as a PFIC for purposes of the application of these rules.

If we are classified as a PFIC, a U.S. Holder will generally be required to file an annual report with the IRS with respect to its investment in our ADSs or Class A ordinary shares. U.S. Holders should consult their tax advisors concerning the U.S. federal income tax considerations of owning and disposing of our ADSs or Class A ordinary shares if we were, are, or become a PFIC, including the unavailability of a qualified electing fund election, the possibility of making a mark-to-market election and the annual PFIC filing requirements, if any.

Foreign Financial Asset Reporting

Certain U.S. Holders are required to report their holdings of certain foreign financial assets, including equity of foreign entities, if the aggregate value of all of these assets exceeds certain threshold amounts. The ADSs and Class A ordinary shares are expected to constitute foreign financial assets subject to these requirements unless the ADSs and Class A ordinary shares are held in an account at certain financial institutions. U.S. Holders should consult their tax advisors regarding the application of these reporting requirements, and the significant penalties for non-compliance.

THE PRECEDING SUMMARY OF U.S. FEDERAL INCOME TAX CONSIDERATIONS IS INTENDED FOR GENERAL INFORMATION ONLY AND DOES NOT CONSTITUTE TAX ADVICE. U.S. HOLDERS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE U.S. FEDERAL, STATE, LOCAL, AND NON-U.S. TAX CONSIDERATIONS GENERALLY APPLICABLE TO THE OWNERSHIP AND DISPOSITION OF OUR ADSs AND CLASS A COMMON SHARES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

F. Dividends and Paying Agents

Not applicable.

G. Statement by Experts

Not applicable.

H. Documents on Display

Our corporate internet address is <http://ir.weibo.com>. We make available free of charge on or through our website our annual reports, quarterly reports, current reports, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. We may from time to time provide important disclosures to investors by posting them in the investor relations section of our website, as allowed by the SEC rules. Information contained on Weibo's website is not part of this report or any other report filed with the SEC. The SEC maintains an internet site <http://www.sec.gov> that contains reports, proxy and information statements, and other information that we filed electronically.

I. Subsidiary Information

Not applicable.

J. Annual Report to Security Holders

Not applicable.

Item 11. Quantitative and Qualitative Disclosures About Market Risk

Market Risks

Foreign Exchange Risk

The value of the RMB against the U.S. dollar and other currencies is affected by changes in China's political and economic conditions and China's foreign exchange policies, among other things. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the RMB and the U.S. dollar in the future. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk.

Our revenues and costs are mostly denominated in RMB, and a significant portion of our financial assets are also denominated in RMB, whereas our reporting currency is the U.S. dollar. Any significant depreciation of the RMB may materially and adversely affect our revenues, earnings and financial position as reported in U.S. dollars. To the extent that we need to convert U.S. dollars we received from the issuance of 2024 Notes, 2030 Notes, and 2027 Loans and Global Offering into RMB for our operations, appreciation of the RMB against the U.S. dollar would have an adverse effect on the RMB amount we would receive from the conversion. Conversely, if we decide to convert our RMB into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or ADSs or for other business purposes, appreciation of the U.S. dollar against the RMB would have a negative effect on the U.S. dollar amount available to us.

Below is a sensitivity analysis on the impact of a change in the value of the RMB against the U.S. dollar assuming: (1) projected net income from operation in China equal to the net income of 2022, (2) projected net assets of the operation in China equal to the balances in RMB and U.S. dollar as of December 31, 2022 and (3) currency fluctuation occurs proportionately over the period:

Change in the Value of RMB Against the U.S. Dollar	Translation Adjustments to	Transaction Gain
	Comprehensive Income	/(Loss)
	(in US\$ thousands)	
Appreciate 2%	73,592	(192)
Appreciate 5%	184,157	(481)
Depreciate 2%	(73,495)	192
Depreciate 5%	(183,548)	481

Interest Rate Risk

Our exposure to interest rate risk primarily relates to the interest income generated by excess cash invested in short-term investments, which is mostly held in interest-bearing bank deposits, and interest expense related to 2027 Loans, which carries floating interest rates. We have not used any derivative financial instruments to manage our interest risk exposure. However, our future interest income may fall short of expectations or our interest expense may increase due to changes in market interest rates.

Investment Risk

As of December 31, 2022, our equity investments totaled US\$993.6 million. We measure investments in equity securities other than equity method investments at fair value through earnings. For those investments without readily determinable fair values, we elected to record these investments at cost, less impairment, and plus or minus subsequent adjustments for observable price changes (referred to as the measurement alternative). Changes in the basis of these investments are reported in current earnings. We recognized fair value change loss of US\$196.6 million in equity securities other than equity method investments for the year ended December 31, 2022.

Our investments other than equity method are subject to a wide variety of market related risks that could substantially reduce or increase the fair value of our holdings. Investments using measurement alternative methods are investments in privately held companies and limited partnerships. Valuations of our investments in private companies and limited partnerships are inherently more complex due to the lack of readily available market data. The fair value is measured at the time of the observable transaction, which is not necessarily an indication of the current fair value as of the balance sheet date. These investments, especially those in the early stages, are inherently risky because the technologies or products these companies have under development are typically in the early phases and may never materialize and they may experience deterioration in financial condition, which could result in a loss of a substantial part of our investment in these companies. The success of our investment in any private company or limited partnership is also dependent on the likelihood of our ability to realize value in our investments through liquidity events such as public offerings, acquisitions, private sales or other favorable market events reflecting appreciation to the cost of our initial investment. Volatility in the global economic climate and financial markets could also result in a significant impairment charge on our non-marketable equity securities. As of December 31, 2022, the carrying value of our investments using measurement alternative method was US\$196.6 million.

The carrying values of our equity method investments generally do not fluctuate due to market price changes, however these investments could be impaired if the carrying value exceeds the fair value.

We periodically review our investments for impairment. Factors we consider to make such determination include the duration and severity of the impairment, the reason for the decline in value, the potential recovery period, and our intent to sell, or whether it is more likely than not that we will be required to sell, the investment before recovery. We recorded US\$63.5 million of investment related impairment charges. We are unable to control these factors and an impairment charge recognized by us will unfavorably impact our operating results and financial position.

Our short-term investments as of December 31, 2022 totaled US\$480.4 million, which were composed of bank time deposits and wealth management products with maturity over three months but within one year.

Item 12. Description of Securities Other than Equity Securities

A. Debt Securities

In July 2019, we issued \$800 million principal amount of senior notes due 2024. The 2024 Notes were issued at par value and bear an annual interest rate of 3.50%, payable semiannually in arrears on January 5 and July 5 of each year, beginning on January 5, 2020. The 2024 Notes will mature on July 5, 2024, unless previously repurchased or redeemed in accordance with their terms prior to the maturity. In July 2020, we issued \$750 million in aggregate principal amount of senior notes due 2030. The 2030 Notes bear an annual interest rate of 3.375%, payable semiannually in arrears on January 8 and July 8 of each year, beginning on January 8, 2021. The 2030 Notes will mature on July 8, 2030, unless previously repurchased or redeemed in accordance with their terms prior to maturity.

Please refer to Exhibits 2.4, 2.5 and 2.6 to this annual report for the information relating to the 2024 Notes and 2030 Notes required by Item 12. A. of Form 20-F.

B. Warrants and Rights

Not applicable.

C. Other Securities

Not applicable.

D. American Depositary Shares

Fees and Charges Our ADS Holders May Have to Pay

The depositary may charge each person to whom ADSs are issued, including, without limitation, issuances against deposits of shares, issuances in respect of share distributions, rights and other distributions, issuances pursuant to a stock dividend or stock split declared by us or issuances pursuant to a merger, exchange of securities or any other transaction or event affecting the ADSs or deposited securities, and each person surrendering ADSs for withdrawal of deposited securities or whose ADRs are cancelled or reduced for any other reason, US\$5.00 for each 100 ADSs (or any portion thereof) issued, delivered, reduced, cancelled or surrendered, as the case may be. The depositary may sell (by public or private sale) sufficient securities and property received in respect of a share distribution, rights and/or other distribution prior to such deposit to pay such charge.

The following additional charges shall be incurred by the ADR holders, by any party depositing or withdrawing shares or by any party surrendering ADSs or to whom ADSs are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by us or an exchange of stock regarding the ADSs or the deposited securities or a distribution of ADSs), whichever is applicable:

- a fee of US\$1.50 per ADR for transfers of certificated or direct registration ADRs;
- a fee of up to US\$0.05 per ADS for any cash distribution made pursuant to the deposit agreement;
- a fee of up to US\$0.05 per ADS per calendar year (or portion thereof) for services performed by the depositary in administering the ADRs (which fee may be charged on a periodic basis during each calendar year and shall be assessed against holders of ADRs as of the record date or record dates set by the depositary during each calendar year and shall be payable in the manner described in the next succeeding provision);
- a fee for the reimbursement of such fees, charges and expenses as are incurred by the depositary and/or any of its agents (including, without limitation, the custodian and expenses incurred on behalf of holders in connection with compliance with foreign exchange control regulations or any law or regulation relating to foreign investment) in connection with the servicing of the shares or other deposited securities, the sale of securities (including, without limitation, deposited securities), the delivery of deposited securities or otherwise in connection with the depositary's or its custodian's compliance with applicable law, rule or regulation (which fees and charges shall be assessed on a proportionate basis against holders as of the record date or dates set by the depositary and shall be payable at the sole discretion of the depositary by billing such holders or by deducting such charge from one or more cash dividends or other cash distributions);
- a fee for the distribution of securities (or the sale of securities in connection with a distribution), such fee being in an amount equal to the US\$0.05 per ADS issuance fee for the execution and delivery of ADSs which would have been charged as a result of the deposit of such securities (treating all such securities as if they were shares) but which securities or the net cash proceeds from the sale thereof are instead distributed by the depositary to those holders entitled thereto;
- stock transfer or other taxes and other governmental charges;
- cable, telex and facsimile transmission and delivery charges incurred at your request in connection with the deposit or delivery of shares;
- transfer or registration fees for the registration of transfer of deposited securities on any applicable register in connection with the deposit or withdrawal of deposited securities;
- the fees, expenses and other charges charged by JPMorgan Chase Bank, N.A. and/or its agent (which may be a division, branch or affiliate) in connection with the conversion of foreign currency into U.S. dollars; and
- fees of any division, branch or affiliate of the depositary utilized by the depositary to direct, manage and/or execute any public and/or private sale of securities under the deposit agreement.

JPMorgan Chase Bank, N.A. and/or its agent may act as principal for such conversion of foreign currency. We will pay all other charges and expenses of the depositary and any agent of the depositary (except the custodian) pursuant to agreements from time to time between us and the depositary. The charges described above may be amended from time to time by agreement between us and the depositary.

The depositary collects its fees for issuance and cancellation of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions, or by directly billing investors, or by charging the book-entry system accounts of participants acting for them. The depositary will generally set off the amounts owing from distributions made to holders of ADSs. If, however, no distribution exists and payment owing is not timely received by the depositary, the depositary may refuse to provide any further services to holders that have not paid those fees and expenses owing until such fees and expenses have been paid. At the discretion of the depositary, all fees and charges owing under the deposit agreement are due in advance and/or when declared owing by the depositary.

The fees and charges you may be required to pay may vary over time and may be changed by us and by the depositary. You will receive prior notice of any increase in any such fees and charges.

Fees and Other Payments Made by the Depositary to Us

The depositary has agreed to reimburse us for certain expenses we incur that are related to establishment and maintenance of the ADR program upon such terms and conditions as we and the depositary may agree from time to time. The depositary may make available to us a set amount or a portion of the depositary fees charged in respect of the ADR program or otherwise upon such terms and conditions as we and the depositary may agree from time to time. In 2022, we did not record any payments made by the depositary to us.

Dealings and Settlement of Class A Ordinary Shares in Hong Kong

Our Class A ordinary shares will trade on the Hong Kong Stock Exchange in board lots of 20 ordinary shares. Dealings in our Class A ordinary shares on the Hong Kong Stock Exchange will be conducted in Hong Kong dollars.

The transaction costs of dealings in our Class A ordinary shares on the Hong Kong Stock Exchange include:

- Hong Kong Stock Exchange trading fee of 0.005% of the consideration of the transaction, charged to each of the buyer and seller;
- SFC transaction levy of 0.0027% of the consideration of the transaction, charged to each of the buyer and seller;
- trading tariff of HK\$0.50 on each and every purchase or sale transaction. The decision on whether or not to pass the trading tariff onto investors is at the discretion of brokers;
- transfer deed stamp duty of HK\$5.00 per transfer deed (if applicable), payable by the seller;
- *ad valorem* stamp duty at a total rate of 0.26% of the value of the transaction, with 0.13% payable by each of the buyer and the seller;
- stock settlement fee, which is currently 0.002% of the gross transaction value, subject to a minimum fee of HK\$2.00 and a maximum fee of HK\$100.00 per side per trade;
- brokerage commission, which is freely negotiable with the broker (other than brokerage commissions for IPO transactions which are currently set at 1% of the subscription or purchase price and will be payable by the person subscribing for or purchasing the securities); and

- the Hong Kong share registrar will charge between HK\$2.50 to HK\$20, depending on the speed of service (or such higher fee as may from time to time be permitted under the Hong Kong Listing Rules), for each transfer of ordinary shares from one registered owner to another, each share certificate canceled or issued by it and any applicable fee as stated in the share transfer forms used in Hong Kong.

Investors must settle their trades executed on the Hong Kong Stock Exchange through their brokers directly or through custodians. For an investor who has deposited his/her Class A ordinary shares in his/her stock account or in his/her designated CCASS participant's stock account maintained with CCASS, settlement will be effected in CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. For an investor who holds the physical certificates, settlement certificates and the duly executed transfer forms must be delivered to his/her broker or custodian before the settlement date.

Conversion between Class A Ordinary Shares Trading in Hong Kong and ADSs

In connection with the initial public offering of our Class A ordinary shares in Hong Kong, or the Hong Kong Public Offering, we have established a branch register of members in Hong Kong, or the Hong Kong share register, which will be maintained by our Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited. Our principal register of members, or the Cayman share register, will continue to be maintained by our Principal Share Registrar, Global Incorporation Centre Limited, in the Cayman Islands.

All Class A ordinary shares offered in the Hong Kong public offering and the international offering will be registered on the Hong Kong share register in order to be listed and traded on the Hong Kong Stock Exchange. As described in further detail below, holders of Class A ordinary shares registered on the Hong Kong share register will be able to convert these shares into ADSs, and vice versa.

In connection with the Hong Kong Public Offering, and to facilitate fungibility and conversion between ADSs and Class A ordinary shares and trading between Nasdaq and the Hong Kong Stock Exchange, we intend to move a portion of our issued Class A ordinary shares from our register of members maintained in the Cayman Islands to our Hong Kong share register.

Following the listing of our Class A ordinary shares on the Hong Kong Stock Exchange, all deposits of Class A ordinary shares for the issuance of ADSs and all withdrawals of Class A ordinary shares upon the cancellation of ADSs will be in the form of Class A ordinary shares registered on our Hong Kong share register and all corporate actions with respect thereto will be processed via the depository's custodian account at CCASS, subject to the rules and procedures applicable to CCASS – eligible securities, subject, in each case, to certain exceptions described below and provided that the foregoing shall not apply to certain of our restricted Class A ordinary shares and Class A ordinary shares as determined by the Company and the depository, which will be via our Principal Register in the Cayman Islands.

Converting Class A Ordinary Shares trading in Hong Kong into ADSs

An investor who holds Class A ordinary shares registered in Hong Kong and who intends to convert them to ADSs to trade on the Nasdaq must deposit or have his or her broker deposit the Class A ordinary shares with the depository's Hong Kong custodian, JPMorgan Chase Bank, N.A., Hong Kong Branch, or the custodian, in exchange for ADSs.

A deposit of Class A ordinary shares trading in Hong Kong in exchange for ADSs involves the following procedures:

- If Class A ordinary shares have been deposited with CCASS, the investor must transfer Class A ordinary shares to the depository's account with the custodian within CCASS by following the CCASS procedures for transfer and submit and deliver a duly completed and signed letter of transmittal to the custodian via his or her broker.
- If Class A ordinary shares are held outside CCASS, the investor must arrange to deposit his or her Class A ordinary shares into CCASS for delivery to the depository's account with the custodian within CCASS, submit and deliver a duly completed and signed letter of transmittal to the custodian via his or her broker.
- Upon payment of its fees and expenses, payment or net of the Depository's fees and expenses, and payment of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, if applicable, and subject in all cases to the terms of the deposit agreement, the depository will issue the corresponding number of ADSs in the name(s) requested by an investor and will deliver the ADSs to the designated DTC account of the person(s) designated by an investor or his or her broker if such ADSs are to be held in book-entry form through DTC's "Direct Registration System."

For Class A ordinary shares deposited in CCASS, under normal circumstances, the above steps generally require two business days. For Class A ordinary shares held outside CCASS in physical form, the above steps may take 14 business days, or more, to complete. Temporary delays may arise. For example, the transfer books of the depositary may from time to time be closed to ADS issuances. The investor will be unable to trade the ADSs until the procedures are completed.

Converting ADSs to Class A ordinary shares trading in Hong Kong

An investor who holds ADSs and who intends to convert his/her ADSs into Class A ordinary shares to trade on the Hong Kong Stock Exchange must cancel the ADSs the investor holds and withdraw Class A ordinary shares from our ADS program and cause his or her broker or other financial institution to trade such Class A ordinary shares on the Hong Kong Stock Exchange.

An investor that holds ADSs indirectly through a broker should follow the broker's procedure and instruct the broker to arrange for cancellation of the ADSs, and transfer of the underlying Class A ordinary shares from the depositary's account with the custodian within the CCASS system to the investor's Hong Kong stock account.

For investors holding ADSs directly, the following steps must be taken:

- To withdraw Class A ordinary shares from our ADS program, an investor who holds ADSs may turn in such ADSs at the office of the depositary (and the applicable ADR(s) if the ADSs are held in certificated form), and send an instruction to cancel such ADSs to the depositary.
- Upon payment or net of its fees and expenses, payment of CCASS' fees and expenses, and payment of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, if applicable, and subject in all cases to the terms of the deposit agreement, the depositary will instruct the custodian to deliver Class A ordinary shares underlying the canceled ADSs to the CCASS account designated by an investor.
- If an investor prefers to receive Class A ordinary shares outside CCASS, he or she must receive ordinary shares in CCASS first and then arrange for withdrawal from CCASS. Investors can then obtain a transfer form signed by HKSCC Nominees Limited (as the transferor) and register Class A ordinary shares in their own names with the Hong Kong share registrar.

For Class A ordinary shares to be received in CCASS, under normal circumstances, the above steps generally require two business days. For Class A ordinary shares to be received outside CCASS in physical form, the above steps may take 14 business days, or more, to complete. The investor will be unable to trade the Class A ordinary shares on the Hong Kong Stock Exchange until the procedures are completed.

Temporary delays may arise. For example, the transfer books of the depositary may from time to time be closed to ADS cancellations. In addition, completion of the above steps and procedures is subject to there being a sufficient number of Class A ordinary shares on the Hong Kong share register to facilitate a withdrawal from the ADS program directly into the CCASS system. We are not under any obligation to maintain or increase the number of Class A ordinary shares on the Hong Kong share register to facilitate such withdrawals.

Depositary requirements

Before the depositary issues ADSs or permits withdrawal of Class A ordinary shares, the depositary may require:

- payment of all amounts required pursuant to the deposit agreement, including the issuance and cancellation fees therein, any stock transfer or other tax or other governmental charges and any stock transfer or registration fees in effect;
- production of satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and
- compliance with procedures it may establish, from time to time, consistent with the deposit agreement, including, but not limited to, presentation of transfer documents.

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The depositary may refuse to deliver, transfer, or register issuances, transfers and cancelations of ADSs generally when the transfer books of the depositary or our Hong Kong share registrar are closed or at any time if the depositary or we determine it advisable to do so.

All costs attributable to the transfer of Class A ordinary shares to effect a withdrawal from or deposit of Class A ordinary shares into our ADS program will be borne by the investor requesting the transfer. In particular, holders of Class A ordinary shares and ADSs should note that the Hong Kong share registrar will charge between HK\$2.50 to HK\$20, depending on the speed of service (or such higher fee as may from time to time be permitted under the Hong Kong Listing Rules), for each transfer of ordinary shares from one registered owner to another, each share certificate canceled or issued by it and any applicable fee as stated in the share transfer forms used in Hong Kong. In addition, holders of ordinary shares and ADSs must pay up to US\$5.00 (or less) per 100 ADSs for each issuance of ADSs and each cancelation of ADSs, as the case may be, in connection with the deposit of Class A ordinary shares into, or withdrawal of Class A ordinary shares from, our ADS program.

PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

Material Modifications to the Rights of Security Holders

See “Item 10. Additional Information—B. Memorandum and Articles of Association—Ordinary Shares” for a description of the rights of securities holders, which remain unchanged.

Use of Proceeds

The following “Use of Proceeds” information relates to (i) the registration statement on Form F-3 (File Number: 333-232213) that became effective immediately upon filing on June 20, 2019, together with the prospectus supplement to register additional securities, for our offering of \$750 million aggregate principal amount of 3.375% notes due 2030, or the 2030 Notes Offering, and (ii) the registration statement on Form F-3 (File Number: 333-261379) that became effective immediately upon filing on November 26, 2021, together with the prospectus supplement to register additional securities, for the Global Offering.

2030 Notes Offering

The sole bookrunner of the 2030 Notes Offering is Goldman Sachs (Asia) L.L.C. The co-manager of the offering is China International Capital Corporation Hong Kong Securities Limited. We raised an aggregate of US\$740.3 million in net proceeds from our 2030 Notes Offering, after deducting the underwriting discounts and commissions and offering expenses. As of December 31, 2022, we have used all of the net proceeds from our 2030 Notes Offering for general corporate purposes.

Global Offering

On December 8, 2021, our Class A ordinary shares commenced trading on the Main Board of the Hong Kong Stock Exchange under the stock code “9898” through a global offering of Class A ordinary shares. We and SINA offered in aggregate of 12,453,620 Class A ordinary shares in the global offering (including the exercise of over-allotment option). Goldman Sachs (Asia) L.L.C., Credit Suisse (Hong Kong) Limited, CLSA Limited and China International Capital Corporation Hong Kong Securities Limited acted as the joint representatives of the international underwriters for the global offering.

We sold 5,500,000 Class A ordinary shares and raised approximately US\$178.4 million in net proceeds from the global offering, after deducting estimated underwriting fees and other offering expenses. As of December 31, 2022, we have used all of the net proceeds from our global offering for general corporate purposes.

SINA sold 6,953,620 Class A ordinary shares converted from the same number of Class B ordinary shares, including 1,453,620 Class A ordinary shares pursuant to exercise of the over-allotment option by the joint representatives of the international underwriters to purchase additional Class A ordinary shares. We received no proceeds from the sale of ordinary shares by SINA.

Item 15. Controls and Procedures

Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of management, including the principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of the end of the period covered by this annual report on Form 20-F. Based upon that evaluation, the principal executive officer and principal financial officer concluded that our company’s disclosure controls and procedures are effective.

Management’s Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) under the Securities Exchange Act of 1934, as amended). Our management evaluated the effectiveness of our internal control over financial reporting based on criteria established in the framework in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our management has concluded that our internal control over financial reporting was effective as of December 31, 2022.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness of our internal control over financial reporting to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Attestation Report of the Independent Registered Public Accounting Firm

PricewaterhouseCoopers Zhong Tian LLP has audited the effectiveness of our internal control over financial reporting as of December 31, 2022 as stated in its report, which appears on page F-2 of this annual report on Form 20-F.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) during the year ended December 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 16. [Reserved]

Item 16A. Audit Committee Financial Expert

Our board of directors has determined that Mr. Pochin Christopher Lu, an independent director (under the standards set forth in Nasdaq Listing Rule 5605(a)(2) and Rule 10A-3 under the Exchange Act) and member of our audit committee, is an audit committee financial expert.

Item 16B. Code of Ethics

We have adopted a Code of Business Conduct and Ethics which applies to our directors, officers and employees, including our principal executive officer and principal financial officer. We have posted the code on our corporate website <http://ir.weibo.com>.

Item 16C. Principal Accountant Fees and Services

The following table sets forth the aggregate fees billed by PricewaterhouseCoopers Zhong Tian LLP and its affiliates, our independent auditor and principal accountant for the years ended December 31, 2021 and 2022:

	2021	2022
Audit Fees ⁽¹⁾	US\$4,352,211	US\$1,827,556
Audit Related Fees ⁽²⁾	93,798	37,145
All Other Fees	157,969	—

(1) “Audit fees” means the aggregate fees billed in each of the fiscal years listed for professional services rendered by our principal auditors for the audit of our annual financial statements and assistance with and review of documents filed with the SEC. The audit fees for 2021 includes the fees billed for the professional services provided in relation to the Global Offering in 2021.

(2) “Audit-related fees” primarily consists of fees related to other audit-related services.

The policy of the Audit Committee is to pre-approve all audit and non-audit services provided by PricewaterhouseCoopers Zhong Tian LLP, including audit services, audit-related services, tax services and other services as described above, other than those for de minimis services which are approved by the audit committee prior to the completion of the audit. After receiving submissions from the management, the audit committee review and, in its sole discretion, pre-approve all audit and non-audit services. Pre-approval will be made by the audit committee or by one or more members of the audit committee as shall be designated by the audit committee or the chairperson of the audit committee. The person(s) granting such pre-approval shall report it to the audit committee at the next scheduled meeting.

Item 16D. Exemptions from the Listing Standards for Audit Committees

Not applicable.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

In March 2022, our board of directors authorized a share repurchase program under which we may repurchase up to US\$500 million of our ADSs over the next 12 months, effective until March 31, 2023.

As of December 31, 2022, we had used an aggregate of US\$57.7 million to repurchase 3,055,759 ADSs under this share repurchase program and recorded them as treasury stock. The table below is a summary of the shares repurchased by us in 2022. Share repurchases under this program were effected on the open market at prevailing market prices and in privately negotiated transactions.

Period	Total Number of ADSs Purchased	Average Price Paid Per ADS (US\$)	Total Number of ADSs Purchased as Part of the Publicly Announced Program	Approximate Dollar Value of ADSs that May Yet Be Purchased Under the Program (US\$, in millions)
May 1, 2022 - May 31, 2022	384,667	19.97	384,667	492
September 1, 2022 - September 30, 2022	2,671,092	18.72	3,055,759	442
Total	3,055,759	18.88	3,055,759	442

Item 16F. Change in Registrant's Certifying Accountant

None.

Item 16G. Corporate Governance

Because SINA owns more than 50% of the total voting power of our ordinary shares, we are a "controlled company" under the Nasdaq Stock Market Marketplace Rules, or the Nasdaq Rules. We rely on certain exemptions that are available to controlled companies from Nasdaq corporate governance requirements, including the requirements:

- that our director nominees must be selected or recommended solely by independent directors; and
- that we have a corporate governance and nominating committee that is composed entirely of independent directors with a written charter addressing the committee's purpose and responsibilities.

In addition, as a foreign private issuer whose securities are listed on the Nasdaq Global Select Market, we are permitted to follow certain home country corporate governance practices in lieu of the requirements of the Nasdaq Rules pursuant to Nasdaq Rule 5615(a)(3), which provides for such exemption to compliance with the Nasdaq Rule 5600 Series. We rely on the exemption available to foreign private issuers for the requirements:

- that the board of directors be comprised of a majority of independent directors under Nasdaq Rule 5605(b)(1);
- that an audit committee be comprised of at least three members under Nasdaq Rule 5605(c)(2)(A); and
- the requirements that shareholder approval be required prior to the issuance of securities when a stock option or purchase plan is to be established or materially amended or other equity compensation arrangement made or materially amended, pursuant to which stock may be acquired by officers, directors, employees, or consultants under Nasdaq Rule 5635(c).

We are not required to and will not voluntarily meet these requirements. As a result of our use of the “controlled company” and “foreign private issuer” exemptions, our investors will not have the same protection afforded to shareholders of companies that are subject to all of Nasdaq’s corporate governance requirements.

Item 16H. Mine Safety Disclosure

Not applicable.

Item 16I. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong, and our auditor was subject to that determination.

On April 14, 2022, Weibo Corporation was conclusively listed by the SEC as a Commission-Identified Issuer under the HFCAA following the filing of our annual report on Form 20-F for the fiscal year ended December 31, 2021.

On December 15, 2022, the PCAOB removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. For this reason, we do not expect to be identified as a Commission-Identified Issuer under the HFCAA after we file this annual report.

To our knowledge, no Cayman Islands governmental entities own any shares of Weibo Corporation or any variable-interest entity or similarly structured entity that is consolidated in our financial statements as of the date of this annual report.

To our knowledge, WangTouTongDa (Beijing) Technology Co., Ltd., a third-party minority stake holder owns 1% of the registered capital of Weimeng, a variable-interest entity. WangTouTongDa (Beijing) Technology Co. Ltd is a subsidiary of a state-owned enterprise, China Internet Investment Fund Management Co., Ltd. China Internet Investment Fund Management Co. Ltd is owned by several state-owned enterprises. To our knowledge, no PRC governmental entities own any shares of Weibo Corporation or any variable-interest entity or similarly structured entity that is consolidated in our financial statements as of the date of this annual report other than described in the preceding sentences. See “Item 4. Information on the Company—C. Organizational Structure—Minority Investment in Weimeng.”

To our knowledge, no Cayman Islands governmental entities or PRC governmental entities have a controlling financial interest in Weibo Corporation or any variable-interest entity or similarly structured entity that is consolidated in our financial statements as of the date of this annual report.

To our knowledge, none of the members of the board of directors of Weibo Corporation or our operating entities, and any variable-interest entity or similarly structured entity that is consolidated in our financial statements is an official of the Chinese Communist Party as of the date of this annual report.

The currently effective memorandum and articles of association of Weibo Corporation and any variable-interest entity or similarly structured entity that is consolidated in our financial statements do not contain any charter of the Chinese Communist Party.

Item 16J. Insider Trading Policies

Not applicable.

PART III

Item 17. Financial Statements

We have elected to provide financial statements pursuant to Item 18.

Item 18. Financial Statements

The consolidated financial statements of Weibo Corporation, its subsidiaries, and the Consolidated Affiliated Entities are included at the end of this annual report.

Item 19. Exhibits

<u>Exhibit Number</u>	<u>Description</u>
1.1	Third Amended and Restated Memorandum and Articles of Association of the Company (Filed as Exhibit 1.1 to the Company's annual report on Form 20-F, Registration No. 001-36397, filed on March 10, 2022 and incorporated herein by reference)
2.1	The Company's Specimen American Depositary Receipt (included in Exhibit 2.3 hereto, which was filed as Exhibit 4.3 to the Company's Report on Form S-8, Registration No. 333-199022, filed on September 30, 2014, and incorporated herein by reference).
2.2	Registrant's Specimen Certificate for Class A Ordinary Shares (Filed as Exhibit 4.1 to the Company's Form 6-K (File No. 001-36397), filed on December 1, 2021, and incorporated herein by reference).
2.3	Amended and Restated Deposit Agreement, dated as of August 10, 2020, among the Company, the depository and holder of the American Depositary Receipts (Filed as Exhibit 2.3 to the Company's annual report on Form 20-F, Registration No. 001-36397, filed on April 22, 2021, and incorporated herein by reference).
2.4	Indenture, dated as of July 5, 2019, between Weibo Corporation and Deutsche Bank Trust Company Americas, as trustee (Filed as Exhibit 4.1 to the Company's Form 6-K (File No. 001-36397), filed on July 5, 2019, and incorporated herein by reference)
2.5	First supplemental indenture, dated as of July 5, 2019, between Weibo Corporation and Deutsche Bank Trust Company Americas, as trustee (Filed as Exhibit 4.2 to the Company's Form 6-K (File No. 001-36397), filed on July 5, 2019, and incorporated herein by reference)
2.6	Second Supplemental Indenture, dated as of July 8, 2020, between Weibo Corporation and Deutsche Bank Trust Company Americas, as trustee (Filed as Exhibit 4.1 to the Company's Form 6-K (File No. 001-36397), filed on July 8, 2020, and incorporated herein by reference)
2.7*	Description of the registrant's securities registered pursuant to Section 12 of the Securities Exchange Act of 1934
4.1	2010 Share Incentive Plan (Filed as Exhibit 10.1 to the Company's Registration Statement on Form F-1, Registration No. 333-194589, filed on March 14, 2014, as amended, and incorporated herein by reference).
4.2	2014 Share Incentive Plan (Filed as Exhibit 10.2 to the Company's Registration Statement on Form F-1, Registration No. 333-194589, filed on March 14, 2014, as amended, and incorporated herein by reference).
4.3*	2023 Share Incentive Plan

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Exhibit Number	Description
4.4	Form of Indemnification Agreement with the Company's directors (Filed as Exhibit 10.3 to the Company's Registration Statement on Form F-1, Registration No. 333-194589, filed on March 14, 2014, as amended, and incorporated herein by reference).
4.5	Form of Employment Agreement between the Company and an executive officer of the Company (Filed as Exhibit 10.4 to the Company's Registration Statement on Form F-1, Registration No. 333-194589, filed on March 14, 2014, as amended, and incorporated herein by reference).
4.7	Master Transaction Agreement between Sina Corporation and Weibo Corporation (Filed as Exhibit 10.5 to the Company's Registration Statement on Form F-1, Registration No. 333-194589, filed on March 14, 2014, as amended, and incorporated herein by reference).
4.8	Non-Competition Agreement between Sina Corporation and Weibo Corporation (Filed as Exhibit 10.7 to the Company's Registration Statement on Form F-1, Registration No. 333-194589, filed on March 14, 2014, as amended, and incorporated herein by reference).
4.9	Sales and Marketing Services Agreement between Sina Corporation and Weibo Corporation (Filed as Exhibit 10.8 to the Company's Registration Statement on Form F-1, Registration No. 333-194589, filed on March 14, 2014, as amended, and incorporated herein by reference).
4.11	Intellectual Property License Agreement between Sina Corporation and Weibo Corporation (Filed as Exhibit 10.9 to the Company's Registration Statement on Form F-1, Registration No. 333-194589, filed on March 14, 2014, as amended, and incorporated herein by reference).
4.12	Amended and Restated Shareholders' Agreement between Sina Corporation, Ali WB Investment Holding Limited and Weibo Corporation (Filed as Exhibit 10.11 to the Company's Registration Statement on Form F-1, Registration No. 333-194589, filed on March 14, 2014, as amended, and incorporated herein by reference).
4.13	Voting Agreement between Sina Corporation and Ali WB Investment Holding Limited dated April 24, 2014 (incorporated herein by reference to Exhibit 4.12 to the Company's annual report on Form 20-F (File No. 001-36397), filed with the Securities and Exchange Commission on April 28, 2015).
4.14	Registration Rights Agreement between Sina Corporation, Ali WB Investment Holding Limited and Weibo Corporation (Filed as Exhibit 10.13 to the Company's Registration Statement on Form F-1, Registration No. 333-194589, filed on March 14, 2014, as amended, and incorporated herein by reference).
4.15	English Translation of the Loan Agreement between our wholly owned subsidiary and individual shareholders of Weimeng (Filed as Exhibit 4.14 to the Company's annual report on Form 20-F, Registration No. 001-36397, filed on April 26, 2018 and incorporated herein by reference).
4.16	English Translation of the Loan Repayment Agreement between our wholly owned subsidiary and individual shareholders of Weimeng (Filed as Exhibit 4.15 to the Company's annual report on Form 20-F, Registration No. 001-36397, filed on April 26, 2018 and incorporated herein by reference).
4.17	English Translation of the Share Transfer Agreement between our wholly owned subsidiary and individual shareholders of Weimeng (Filed as Exhibit 4.16 to the Company's annual report on Form 20-F, Registration No. 001-36397, filed on April 26, 2018 and incorporated herein by reference).
4.18	English Translation of the Agreement on Authorization to Exercise Shareholder's Voting Power between our wholly owned subsidiary and individual shareholders of Weimeng (Filed as Exhibit 4.17 to the Company's annual report on Form 20-F, Registration No. 001-36397, filed on April 26, 2018 and incorporated herein by reference).

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Exhibit Number	Description
4.19	English Translation of the Share Pledge Agreement between our wholly owned subsidiary and individual shareholders of Weimeng. (Filed as Exhibit 4.18 to the Company's annual report on Form 20-F, Registration No. 001-36397, filed on April 26, 2018 and incorporated herein by reference).
4.20	English Translation of the Exclusive Technical Services Agreement between our wholly owned subsidiary and Weimeng. (Filed as Exhibit 10.19 to the Company's Registration Statement on Form F-1, Registration No. 333-194589, filed on March 14, 2014, as amended, and incorporated herein by reference).
4.21	English Translation of the Exclusive Sales Agency Agreement between our wholly owned subsidiary and Weimeng. (Filed as Exhibit 10.20 to the Company's Registration Statement on Form F-1, Registration No. 333-194589, filed on March 14, 2014, as amended, and incorporated herein by reference).
4.22	English Translation of the Trademark License Agreement between our wholly owned subsidiary and Weimeng. (Filed as Exhibit 10.21 to the Company's Registration Statement on Form F-1, Registration No. 333-194589, filed on March 14, 2014, as amended, and incorporated herein by reference).
4.23	English Translation of the Loan Agreement between our wholly owned subsidiary and individual shareholders of Weimeng Chuangke. (Filed as Exhibit 4.22 to the Company's annual report on Form 20-F, Registration No. 001-36397, filed on April 22, 2021, and incorporated herein by reference).
4.24	English Translation of the Loan Agreement between our wholly owned subsidiary and individual shareholders of Weimeng Chuangke. (Filed as Exhibit 4.23 to the Company's annual report on Form 20-F, Registration No. 001-36397, filed on April 22, 2021, and incorporated herein by reference).
4.25	English Translation of the Loan Repayment Agreement between our wholly owned subsidiary and individual shareholders of Weimeng Chuangke. (Filed as Exhibit 4.24 to the Company's annual report on Form 20-F, Registration No. 001-36397, filed on April 22, 2021, and incorporated herein by reference).
4.26	English Translation of the Equity Transfer Agreement between our wholly owned subsidiary and individual shareholders of Weimeng Chuangke. (Filed as Exhibit 4.25 to the Company's annual report on Form 20-F, Registration No. 001-36397, filed on April 22, 2021, and incorporated herein by reference).
4.27	English Translation of the Agreement on Authorization to Exercise Shareholder's Voting Power between our wholly owned subsidiary and individual shareholders of Weimeng Chuangke. (Filed as Exhibit 4.26 to the Company's annual report on Form 20-F, Registration No. 001-36397, filed on April 22, 2021, and incorporated herein by reference).
4.28	English Translation of the Equity Pledge Agreement between our wholly owned subsidiary and individual shareholders of Weimeng Chuangke. (Filed as Exhibit 4.27 to the Company's annual report on Form 20-F, Registration No. 001-36397, filed on April 22, 2021, and incorporated herein by reference).
4.29	English Translation of the Exclusive Technical Services Agreement between our wholly owned subsidiary and Weimeng Chuangke. (Filed as Exhibit 4.28 to the Company's annual report on Form 20-F, Registration No. 001-36397, filed on April 22, 2021, and incorporated herein by reference).
4.30	English Translation of the Exclusive Sales Agency Agreement between our wholly owned subsidiary and Weimeng Chuangke. (Filed as Exhibit 4.29 to the Company's annual report on Form 20-F, Registration No. 001-36397, filed on April 22, 2021, and incorporated herein by reference).
4.31	English Translation of the Trademark License Agreement between our wholly owned subsidiary and Weimeng Chuangke. (Filed as Exhibit 4.30 to the Company's annual report on Form 20-F, Registration No. 001-36397, filed on April 22, 2021, and incorporated herein by reference).

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Exhibit Number	Description
4.32	English Translation of Spousal Consent Letter signed by each spouse of the shareholders of Weimeng Chuangke (Filed as Exhibit 4.31 to the Company’s annual report on Form 20-F, Registration No. 001-36397, filed on April 22, 2021, and incorporated herein by reference).
4.33*	Facilities Agreement relating to US\$900,000,000 term loan facility and US\$300,000,000 revolving loan facility, dated as of August 22, 2022, between the Registrant and the other parties thereto.
4.34*	Agreement for the Sale and Purchase of 100% of the Equity Interest of Sina.Com Technology (China) Co., Ltd., dated as of December 23, 2022, between Sina Hong Kong Limited, a wholly owned subsidiary of Sina Corporation, and Weibo Hong Kong Limited, a wholly owned subsidiary of the Registrant.
4.35*	Share Purchase Agreement, dated as of March 1, 2023, by and between ShowWorld Holding Limited, an indirect subsidiary of SINA Corporation and Weibo Holding (Singapore) Pte. Ltd., a wholly owned subsidiary of the Registrant.
8.1*	List of Significant Subsidiaries and Principal Variable Interest Entities.
11.1	Code of Business Conduct and Ethics (incorporated by reference to Exhibit 99.1 to the Company’s Registration Statement on Form F-1, File No. 333-194589, filed on March 14, 2014, as amended and incorporated herein by reference).
12.1*	Certificate of principal executive officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
12.2*	Certificate of principal financial officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
13.1**	Certificate of principal executive officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
13.2**	Certificate of principal financial officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
15.1*	Consent of Maples and Calder (Hong Kong) LLP.
15.2*	Consent of TransAsia Lawyers.
15.3*	Consent of PricewaterhouseCoopers Zhong Tian LLP.
101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document—the cover page XBRL tags are embedded within the Exhibit 101 Inline XBRL
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)
*	Filed herewith.
**	Furnished herewith.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Annual Report on its behalf.

Weibo Corporation

By: /s/ Gaofei Wang
Name: Gaofei Wang
Title: Chief Executive Officer

Date: April 27, 2023

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Weibo Corporation

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Weibo Corporation and its subsidiaries (the “Company”) as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of shareholders’ equity and of cash flows for each of the three years in the period ended December 31, 2022, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company’s internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company’s management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management’s Annual Report on Internal Control over Financial Reporting appearing under Item 15. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company’s internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Impairment assessment of investments in equity securities without readily determinable fair value

As described in Notes 2 and 4 to the consolidated financial statements, the Company's investments in equity securities without readily determinable fair value amounted to \$196.6 million as of December 31, 2022. For equity investments without readily determinable fair value for which the Company has elected to use the measurement alternative, management makes a qualitative assessment as to whether the investment is impaired at each reporting date. If a qualitative assessment indicates that the investment is impaired, management estimates the investment's fair value in accordance with the principles of ASC 820 - *Fair Value Measurement*. If the fair value is less than the investment's carrying value, the Company recognizes an impairment loss in net income equal to the difference between the carrying value and fair value. Significant judgment is applied by management in (i) determining whether the investment is impaired and (ii) estimating the impairment amount if an impairment exists. These judgments consider various factors and events including a) adverse performances and business prospects of the investees; b) adverse changes in the general market condition affecting investees; c) adverse changes in regulatory, economic or technological environment of the investees; d) adverse changes in cash flow forecasts of investees; and e) valuation methods and key valuation assumptions and data used in estimating the impairment amounts. Key valuation assumptions are related to selection of comparable companies, valuation multiples, revenue growth rate of investees, scenario probability estimates and lack of marketability discounts. The Company recognized impairment losses of \$63.5 million for the year ended December 31, 2022.

The principal considerations for our determination that performing procedures relating to the impairment assessment of investments in equity securities without readily determinable fair value is a critical audit matter are the significant judgments by management in (i) making the qualitative assessment of whether investments in equity securities are impaired and (ii) estimating the impairment amount if an impairment exists. This in turn led to significant auditor judgment, subjectivity, and effort in performing procedures to (i) evaluate the reasonableness of significant judgments management applied in determining whether the investments in equity securities are impaired and to (ii) evaluate the reasonableness of valuation methods and key assumptions and data management used in estimating the impairment amounts. Key valuation assumptions are related to selection of comparable companies, valuation multiples, revenue growth rate of investees, scenario probability estimates and lack of marketability discounts. In addition, the audit effort involved the use of professionals with specialized skill and knowledge to assist in performing these procedures and evaluating the audit evidence obtained from these procedures.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's impairment assessment of investments in equity securities without readily determinable fair value, including controls over the qualitative assessment of whether investments in equity securities are impaired and the determination of the fair value of these equity securities. These procedures also included, among others, (i) testing management's process for determining whether investments in equity securities are impaired by assessing the investees' performance data as well as other relevant market information considered by management; (ii) evaluating the appropriateness of the valuation methods management used in estimating the impairment amounts; (iii) evaluating the reasonableness of key valuation assumptions and data used by management in estimating the impairment amounts, by considering (a) the investee's current and past performances, (b) the consistency with industry and third party data, and (c) whether these assumptions and related estimates were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were also used to assist in evaluating the reasonableness of valuation methods and certain key assumptions.

Valuation of allowance for credit losses –Loans to and interest receivable from other related parties

As described in Notes 2 and 10 to the consolidated financial statements, the Company's balance of loans to and interest receivable from other related parties, net of allowance for credit losses, was \$564.9 million as of December 31, 2022. Management estimates the allowance for credit losses on loans and interest receivable not sharing similar risk characteristics on an individual basis. The key factors considered when determining the above allowances for credit losses include the estimated loan collection schedule, discount rate, and assets and financial performance of the borrowers.

The principal considerations for our determination that performing procedures relating to the valuation of allowance for credit losses on loans to and interest receivable from other related parties is a critical audit matter are the significant judgement and estimation by management in determining the allowance for credit losses on loans to and interest receivable from other related parties. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating the audit evidence obtained related to the aforementioned estimate of the allowance for credit losses. In addition, the audit effort involved the use of professionals with specialized skill and knowledge to assist in performing these procedures and evaluating the audit evidence obtained from these procedures.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the allowance for credit losses estimation process. These procedures also included, among others, (i) testing management's process for estimating the allowance for credit losses; (ii) evaluating the appropriateness of the valuation methods used in management's credit loss estimates; (iii) testing the completeness, accuracy and relevance of underlying data used in the models, including the borrowers' current financial condition, historical performance data and future forecasts used in the estimates; and (iv) evaluating the reasonableness of the estimated loan collection schedule, discount rate, and assets and financial performance of the borrowers. Professionals with specialized skill and knowledge were also used to assist in evaluating the reasonableness of valuation methods and certain key assumptions.

Fair value determination related to investment in wealth management products, long term

As described in Notes 2 and 14 to the consolidated financial statements, the Company recorded \$47.0 million losses in fair value changes through earnings on investments, net, for the year ended December 31, 2022. For wealth management products with the interest rate indexed to performance of underlying assets, management elected the fair value method at the date of initial recognition and re-measured these investments at fair value. The fair value of these investments is determined based on market approach using unobservable inputs including selection of comparable debt securities and lack of marketability discounts.

The principal considerations for our determination that performing procedures relating to the fair value determination related to investment in wealth management products, long term, is a critical audit matter are the significant judgement by management when developing the fair value estimate of investment in wealth management products, long term. This in turn led to a high degree of auditor judgement, subjectivity, and effort in performing procedures and evaluating management's valuation method and key assumptions related to selection of comparable debt securities and lack of marketability discounts. In addition, the audit effort involved the use of professionals with specialized skill and knowledge to assist in performing these procedures and evaluating the audit evidence obtained from these procedures.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the fair value determination related to investment in wealth management products, long term, including controls over the developments of the key assumptions related to the fair value measurements. These procedures also included, among others, (i) testing management's process for determining the fair value of these investments; (ii) evaluating the appropriateness of the valuation method used in management's fair value estimates; (iii) testing the completeness, mathematical accuracy and relevance of key underlying data used in the valuation; and (iv) evaluating the reasonableness of management's key assumptions related to selection of comparable debt securities and lack of marketability discounts. Professionals with specialized skill and knowledge were also used to assist in evaluating the reasonableness of valuation method and certain key assumptions.

/s/PricewaterhouseCoopers Zhong Tian LLP
Beijing, the People's Republic of China
April 27, 2023

We have served as the Company's auditor since 2013.

WEIBO CORPORATION
CONSOLIDATED BALANCE SHEETS
(In thousands of U.S. dollars, except number of shares and par value)

	Notes	As of December 31,	
		2021	2022
ASSETS			
Current assets:			
Cash and cash equivalents	3	\$ 2,423,703	\$ 2,690,768
Short-term investments	3	711,062	480,428
Accounts receivable due from third parties, net of allowances of US\$42,650 and US\$37,625 as of December 31, 2021 and 2022, respectively	8	577,982	378,500
Accounts receivable due from Alibaba, net of allowances of nil and nil as of December 31, 2021 and 2022, respectively	8&10	89,344	75,347
Accounts receivable due from other related parties, net of allowances of nil and US\$555 as of December 31, 2021 and 2022, respectively	8&10	55,763	48,596
Prepaid expenses and other current assets (including loans to and interest receivable from other related parties of US\$219,679 and US\$110,000 as of December 31, 2021 and 2022, respectively)	8&10	450,726	391,502
Amount due from SINA	10	494,200	487,117
Total current assets		4,802,780	4,552,258
Property and equipment, net	8	68,396	249,553
Operating lease assets	5	60,519	190,368
Intangible assets, net	6	166,930	125,072
Goodwill	6	130,405	120,151
Long-term investments	4	1,207,651	993,630
Other non-current assets (including loans to and interest receivable from a related party of US\$480,786 and US\$454,912 as of December 31, 2021 and 2022, respectively)	8&10	1,082,841	898,422
Total assets		\$ 7,519,522	\$ 7,129,454
LIABILITIES, REDEEMABLE NON-CONTROLLING INTERESTS AND SHAREHOLDERS' EQUITY			
Current liabilities (including amounts of the consolidated VIEs without recourse to the primary beneficiary of US\$710,915 and US\$575,057 as of December 31, 2021 and 2022, respectively):			
Accounts payable		\$ 197,643	\$ 161,029
Accrued and other liabilities	8	821,033	913,984
Operating lease liability, short-term	5	7,919	9,694
Income taxes payable		144,747	55,282
Deferred revenues		91,136	79,949
Convertible debt	15	896,541	—
Total current liabilities		2,159,019	1,219,938
Long-term liabilities			
Unsecured senior notes	15	1,538,415	1,540,717
Long-term loans	15	—	880,855
Deferred tax liability	9	66,903	41,694
Operating lease liability, long-term	5	52,042	55,710
Other non-current liabilities		15,123	—
Total long-term liabilities		1,672,483	2,518,976
Total liabilities		3,831,502	3,738,914
Commitments and contingencies	16		
Redeemable non-controlling interests	17	66,622	45,795
Shareholders' equity:			
Ordinary shares: US\$0.00025 par value; 2,400,000 and 2,400,000 shares (including 1,800,000 Class A ordinary shares, 200,000 Class B ordinary shares and 400,000 shares to be designated) authorized; 236,553 shares (including 140,274 Class A ordinary shares and 96,279 Class B ordinary shares) and 237,242 shares (including 142,417 Class A ordinary shares and 94,825 Class B ordinary shares) issued and outstanding as of December 31, 2021 and 2022, respectively		59	59
Treasury stock (nil and 3,056 shares as of December 31, 2021 and 2022, respectively)		—	(57,682)
Additional paid-in capital		1,477,291	1,445,519
Accumulated other comprehensive income (loss)		156,932	(102,740)
Retained earnings		1,959,539	2,045,094
Total Weibo shareholders' equity		3,593,821	3,330,250
Non-controlling interests		27,577	14,495
Total shareholders' equity		3,621,398	3,344,745
Total liabilities, redeemable non-controlling interests and shareholders' equity		\$ 7,519,522	\$ 7,129,454

The accompanying notes are an integral part of these consolidated financial statements.

WEIBO CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands of U.S. dollars, except per share data)

	Notes	Year Ended December 31,		
		2020	2021	2022
Revenues:				
Advertising and marketing revenues				
Third parties		\$ 1,202,712	\$ 1,633,242	\$ 1,392,723
Alibaba	10	188,597	181,241	107,197
SINA	10	48,353	96,359	56,206
Other related parties	10	46,493	69,953	40,524
		1,486,155	1,980,795	1,596,650
Value-added services revenues		203,776	276,288	239,682
Total revenues		1,689,931	2,257,083	1,836,332
Costs and Expenses				
Cost of revenues		302,180	403,841	400,585
Sales and marketing		455,619	591,682	477,107
Product development		324,110	430,673	415,190
General and administrative		101,224	133,475	52,806
Impairment of intangible assets		—	—	10,176
		1,183,133	1,559,671	1,355,864
Total costs and expenses		1,183,133	1,559,671	1,355,864
Income from operations		506,798	697,412	480,468
Income (loss) from equity method investments		10,434	14,217	(24,069)
Realized gain from investments		2,153	3,243	1,591
Fair value changes through earnings on investments, net		35,115	(72,787)	(243,619)
Investment-related impairment and provision		(211,985)	(106,800)	(71,081)
Interest income		85,829	77,280	105,434
Interest expense		(57,428)	(71,006)	(71,598)
Other income (loss), net		4,997	9,159	(49,040)
Income before income tax expenses		375,913	550,718	128,086
Less: income tax expenses	9	61,316	138,841	30,277
Net income		314,597	411,877	97,809
Less: net income (loss) attributable to non-controlling interests and redeemable non-controlling interests		1,233	(16,442)	12,254
Net income attributable to Weibo's shareholders		\$ 313,364	\$ 428,319	\$ 85,555
Net income		\$ 314,597	\$ 411,877	\$ 97,809
Other comprehensive income				
Currency translation adjustments (for which there were no taxes)		148,547	78,196	(261,729)
Total comprehensive income (loss)		463,144	490,073	(163,920)
Less: comprehensive income (loss) attributable to non-controlling interests and redeemable non-controlling interests		1,695	(15,652)	10,197
Comprehensive income (loss) attributable to Weibo's shareholders		\$ 461,449	\$ 505,725	\$ (174,117)
Shares used in computing net income per share attributable to Weibo's shareholders:				
Basic	12	226,921	228,814	235,164
Diluted	12	227,637	230,206	236,407
Income per share:				
Basic	12	\$ 1.38	\$ 1.87	\$ 0.36
Diluted	12	\$ 1.38	\$ 1.86	\$ 0.36

The accompanying notes are an integral part of these consolidated financial statements.

WEIBO CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands of U.S. dollars)

	Note	Ordinary Shares		Treasury Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Non- controlling Interests	Total Shareholders' Equity
		Shares	Amount	Shares	Amount					
Balance at December 31, 2019		226,310	\$ 57	—	\$ —	\$ 1,133,913	\$ (68,559)	\$ 1,217,856	\$ (1,448)	\$ 2,281,819
Issuance of ordinary shares pursuant to stock plan		1,378	—	—	—	57	—	—	—	57
Non-cash stock-based compensation		—	—	—	—	67,105	—	—	—	67,105
Conversion of convertible debt		—	—	—	—	8	—	—	—	8
Sale of a subsidiary's shares to non-controlling shareholders		—	—	—	—	539	—	—	978	1,517
Acquisition of subsidiaries with non-controlling interests		—	—	—	—	—	—	—	16,133	16,133
Net income		—	—	—	—	—	—	313,364	1,233	314,597
Net income attributable to redeemable non-controlling interests		—	—	—	—	—	—	—	(1,167)	(1,167)
Currency translation adjustments		—	—	—	—	—	148,085	—	462	148,547
Balance at December 31, 2020		227,688	57	—	—	1,201,622	79,526	1,531,220	16,191	2,828,616
Issuance of ordinary shares pursuant to stock plan		1,715	1	—	—	1,312	—	—	—	1,313
Issuance of shares - global offering, net of issuance costs	18	5,500	1	—	—	178,739	—	—	—	178,740
Shares lent to underwriters for settlement of over-allocations	18	1,650	—	—	—	—	—	—	—	—
Non-cash stock-based compensation		—	—	—	—	95,896	—	—	—	95,896
Compensation cost to non-controlling interest shareholders		—	—	—	—	—	—	—	3,215	3,215
Disposal of subsidiaries with non-controlling interests		—	—	—	—	(278)	—	—	12	(266)
Acquisition of a subsidiary with non-controlling interests		—	—	—	—	—	—	—	10,811	10,811
Net income (loss)		—	—	—	—	—	—	428,319	(16,442)	411,877
Net loss attributable to redeemable non-controlling interests		—	—	—	—	—	—	—	13,000	13,000
Currency translation adjustments		—	—	—	—	—	77,406	—	790	78,196
Balance at December 31, 2021		236,553	59	—	—	1,477,291	156,932	1,959,539	27,577	3,621,398
Issuance of ordinary shares pursuant to stock plan		2,339	—	—	—	—	—	—	—	—
Shares returned from underwriters for settlement of over-allocations	18	(1,650)	—	—	—	—	—	—	—	—
Repurchase of American depositary shares ("ADSs")		—	—	(3,056)	(57,682)	—	—	—	—	(57,682)
Non-cash stock-based compensation		—	—	—	—	119,006	—	—	—	119,006
Compensation cost to non-controlling interest shareholders		—	—	—	—	—	—	—	1,368	1,368
Reversal of compensation cost to non-controlling interest shareholders	17	—	—	—	—	—	—	—	(4,274)	(4,274)
Contribution from non-controlling interest shareholders		—	—	—	—	8,520	—	—	(25,535)	(17,015)
Purchase of a subsidiary's shares from non-controlling shareholders		—	—	—	—	(270)	—	—	(5,136)	(5,406)
Acquisition of Sina.com Technology (China) Co., Ltd ("STC")		—	—	—	—	(159,028)	—	—	—	(159,028)
Net income		—	—	—	—	—	—	85,555	12,254	97,809
Net loss attributable to redeemable non-controlling interests		—	—	—	—	—	—	—	10,298	10,298
Currency translation adjustments		—	—	—	—	—	(259,672)	—	(2,057)	(261,729)
Balance at December 31, 2022		237,242	\$ 59	(3,056)	\$ (57,682)	\$ 1,445,519	\$ (102,740)	\$ 2,045,094	\$ 14,495	\$ 3,344,745

The accompanying notes are an integral part of these consolidated financial statements.

WEIBO CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)

	Year Ended December 31,		
	2020	2021	2022
Cash flows from operating activities:			
Net income	\$ 314,597	\$ 411,877	\$ 97,809
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	32,107	55,008	54,694
Stock-based compensation	67,105	87,996	111,713
Amortization of operating lease assets	3,974	6,224	11,461
Non-cash compensation cost to non-controlling interest shareholders	—	23,246	(20,638)
Provision of allowance for credit losses	53,124	19,702	4,440
Deferred income taxes	(15,727)	(12,478)	(24,821)
Foreign currency exchange loss	—	—	66,975
(Income) loss from equity method investments	(10,434)	(14,217)	24,069
Dividend received from equity method investments	320	11,695	5,772
Gain on sale of investments	(2,153)	(3,243)	(1,591)
Fair value changes through earnings on investments, net	(35,115)	72,787	243,619
Investment-related impairment and provision	211,985	106,800	71,081
Impairment of intangible assets	—	—	10,176
Gain on disposal of property and equipment	(74)	(172)	(240)
Amortization of issuance cost of convertible debt, unsecured senior notes and long-term loans	5,944	6,445	6,273
Changes in assets and liabilities:			
Accounts receivable due from third parties	(75,685)	(273,728)	159,365
Accounts receivable due from Alibaba	(68,286)	49,003	10,162
Accounts receivable due from other related parties	54,699	(5,872)	(3,031)
Prepaid expenses and other current assets	(30,461)	2,589	(20,686)
Other non-current assets	(191)	(14,512)	(27,980)
Accounts payable	15,167	41,809	(35,481)
Accrued and other liabilities	62,404	274,803	(38,058)
Amount due from SINA	148,943	(7,787)	(47,303)
Deferred revenues	19,928	(56,181)	(3,925)
Operating lease liabilities	(4,315)	(6,684)	(10,128)
Income taxes payable	(6,210)	38,910	(79,623)
Net cash provided by operating activities	<u>741,646</u>	<u>814,020</u>	<u>564,104</u>
Cash flows from investing activities:			
Purchases of bank time deposits and wealth management products	(3,170,291)	(1,170,070)	(629,889)
Maturities of bank time deposits and wealth management products	2,600,010	2,040,599	859,075
Investment in and prepayment on long-term investments	(392,547)	(1,593,880)	(193,784)
Proceeds from disposal of/refund of prepayment on long-term investments	289,631	447,381	141,806
Proceeds from disposal of property and equipment	92	383	269
Purchases of property and equipment	(34,828)	(35,094)	(43,136)
Prepayment for purchase of SINA Plaza	—	(132,531)	(153,572)
Loans to SINA	(473,777)	(978,162)	(1,261,880)
Repayment of loans by SINA	181,697	1,058,574	1,249,476
Cash received from (paid for) acquisitions, net of cash acquired	(214,302)	(61,160)	939
Prepayment to agent for share repurchase	—	—	(2,318)
Net cash used in investing activities	<u>(1,214,315)</u>	<u>(423,960)</u>	<u>(33,014)</u>
Cash flows from financing activities:			
Proceeds from employee options exercised	122	1,313	—
Proceeds from unsecured senior notes, net of issuance costs	740,324	—	—
Repayment of convertible notes	—	—	(899,992)
Proceeds from long-term loans, net of issuance costs	—	—	880,353
Cash received from (paid for) global offering, net of issuance costs	—	188,129	(8,414)
Payments for share repurchases	—	—	(57,682)
Repurchase of non-controlling shareholders	—	—	(5,406)
Proceeds from sale of a subsidiary's equity interest to a non-controlling shareholder	1,517	—	—
Net cash provided by (used in) financing activities	<u>741,963</u>	<u>189,442</u>	<u>(91,141)</u>
Effect of exchange rate changes on cash and cash equivalents	92,565	29,357	(172,884)
Net increase in cash and cash equivalents	361,859	608,859	267,065
Cash and cash equivalents at the beginning of the year	1,452,985	1,814,844	2,423,703
Cash and cash equivalents at the end of the year	<u>\$ 1,814,844</u>	<u>\$ 2,423,703</u>	<u>\$ 2,690,768</u>
Supplemental disclosures:			
Cash paid for interest expenses on convertible debt/unsecured senior notes	\$ (65,906)	\$ (37,906)	\$ (64,562)
Cash paid for income taxes	\$ (82,667)	\$ (111,260)	\$ (135,055)
Non-cash investing and financing activities			
Property and equipment in accounts payable	\$ 3,985	\$ 5,520	\$ 17,641
Unpaid consideration for acquisition of STC	\$ —	\$ —	\$ 218,402
Unpaid consideration for other acquisitions	\$ 10,280	\$ 6,293	\$ 687

The accompanying notes are an integral part of these consolidated financial statements.

WEIBO CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Operations

Weibo Corporation (“Weibo” or the “Company”) is a leading social media platform in China for people to create, discover and distribute content. By providing a simple and inspirational way for people and organizations in China and the global Chinese communities to express themselves publicly in real time, interact with others on a platform with vast scale and stay connected with the world, Weibo has had a profound social impact in China. Launched in 2009, Weibo has been committed to enabling faster, easier, and richer connection among people and has become an integral part of many of Weibo users’ daily lives.

Incorporated in the Cayman Islands, Weibo Corporation is a controlled subsidiary of Sina Corporation (the “Parent” or “SINA”). In April 2014, the Company completed an initial public offering (the “IPO”) and received US\$306.5 million in net proceeds. Immediately prior to the completion of the IPO, all the ordinary shares held by SINA were converted into an equal number of the Class B ordinary shares, all the ordinary shares held by other shareholders converted into an equal number of the Class A ordinary shares, and all of its outstanding preferred shares automatically converted into Class A ordinary shares. Each Class A ordinary share is entitled to one vote per share and each Class B ordinary share is entitled to three votes per share. Each Class B ordinary share can be converted into one Class A ordinary share at any time, while Class A ordinary shares cannot be converted into Class B ordinary shares.

In December 2021, the Company successfully listed its Class A ordinary shares on the main board of the Hong Kong Stock Exchange. Net proceeds from the offering, after deducting estimated underwriting fees and other offering expenses, were approximately US\$178.4 million.

Weibo Corporation is an exempted company with limited liability under the laws of the Cayman Islands. WB Online and Weibo HK are wholly owned subsidiaries of the Company, and Weibo Technology, a wholly foreign-owned enterprise, (“the WFOE”), is a subsidiary of Weibo HK. The operation of Weibo business is carried out by various subsidiaries and variable interest entities (“VIE”) of the Company. The Company’s VIEs and VIEs’ subsidiaries are controlled by the WFOE through a series of contractual agreements. Weibo Corporation, its subsidiaries, VIEs and VIEs’ subsidiaries together are referred to as “the Group”.

The following sets forth the Company’s major subsidiaries and major VIEs:

Company	Date of Incorporation	Place of Incorporation	Percentage of Direct/ Indirect Economic Interest
Major Subsidiaries			
Weibo Hong Kong Limited (“Weibo HK”)	July 19, 2010	Hong Kong	100 %
Weibo Internet Technology (China) Co., Ltd. (“Weibo Technology” or “the WFOE”)	October 11, 2010	PRC	100 %
WB Online Investment Limited (“WB Online”)	June 5, 2014	Cayman Islands	100 %
Hangzhou Weishichangmeng Advertising Co., Ltd. (“Weishichangmeng”)	September 25, 2018	PRC	100 %
Major VIEs			
Beijing Weimeng Technology Co., Ltd (“Weimeng”)	August 9, 2010	PRC	99 %
Beijing Weimeng Chuangke Investment Management Co., Ltd. (“Weimeng Chuangke”)	April 9, 2014	PRC	100 %

Intellectual Property License Agreement

The intellectual property license agreement was entered into by and between SINA and the Company in April 2013. Under this agreement, SINA granted the Company and its subsidiaries a perpetual, worldwide, royalty-free, fully paid-up, non-sub licensable, non-transferable, limited, exclusive license of certain trademarks and a non-exclusive license of certain other intellectual property owned by SINA to make, sell, offer to sell and distribute products, services and applications on a microblogging and social networking platform. The Company granted SINA and its affiliates a non-exclusive, perpetual, worldwide, non-sub licensable, non-transferable limited license of certain of the Company's intellectual property to use, reproduce, modify, prepare derivative works of, perform, display or otherwise exploit such intellectual property. This agreement commenced on April 29, 2013 and will continue to be in effect unless and until terminated as provided in the agreement.

Transactions between SINA and Weibo

Accounts receivable directly related to the Group but for which SINA will receive payments and remit payments to the Group, as well as accounts receivable directly from SINA, are included in the amount due from SINA. Liabilities directly related to the Group but for which SINA will make payments and receive reimbursements from the Group, as well as liabilities directly to SINA, are included in the amount due to SINA. The amount due from/to SINA is presented as an offsetting balance on the Group's consolidated balance sheets. Loans from SINA are presented under cash flow from financing activities, whereas loans to SINA are presented under investing activities in the consolidated statements of cash flows. Cash payment for billings from SINA for costs and expenses allocated to the Group is presented under operating activities in the consolidated statements of cash flows. The Group's consolidated statements of comprehensive income contain all the related costs and expenses of the Weibo business, including allocation to the cost of revenues, sales and marketing expenses, product development expenses, and general and administrative expenses, which are incurred by SINA but related to the Weibo business. These allocations were based on proportional cost allocation by considering proportion of the revenues, infrastructure usage metrics and labor usage metrics, among other things, attributable to the Group and are made on a basis considered reasonable by mutual managements. Refer to Note 6 for information related to the acquisition of STC.

Total costs and expenses allocated from SINA were as follows:

	Year Ended December 31,		
	2020	2021	2022
		(In US\$ thousands)	
Cost of revenues	\$ 19,462	\$ 14,749	\$ 17,255
Sales and marketing	5,966	3,319	1,953
Product development	10,505	10,083	12,192
General and administrative	7,078	10,119	15,778
	<u>\$ 43,011</u>	<u>\$ 38,270</u>	<u>\$ 47,178</u>

While the costs and expenses allocated to the Group for these items are not necessarily indicative of the costs and expenses that would have been incurred if the Group had transactions with independent third party suppliers directly or hired more employees, the Company does not believe there would be any significant difference between the nature and amounts of these allocated costs and expenses and the ones that would have been incurred if the Group had transactions with independent third party suppliers directly or hired more employees.

Consolidation

The consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries, VIEs controlled by the WFOE through a series of contractual agreements, and VIEs' subsidiaries. All significant intercompany balances and transactions have been eliminated.

To comply with PRC laws and regulations, the Group provides a substantial amount of its services in China via the VIEs, which hold critical operating licenses that enable the Group to do business in China. Most of the Group's revenues, costs and expenses, and net income before intercompany transactions in China were generated directly or indirectly through the VIEs and VIEs' subsidiaries. The Company relies on contractual arrangements among its PRC subsidiaries, the VIEs and their shareholders to control the business operations of the VIEs and VIEs' subsidiaries and the Group has determined that Weibo Technology, the WFOE, is the primary beneficiary of the VIEs through its contractual arrangements with the VIEs. Accordingly, the Company has consolidated the results of operations and assets and liabilities of VIEs and VIEs' subsidiaries in the Group's financial statements pursuant to the United States Generally Accepted Accounting Principles ("US GAAP") for all the periods presented.

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Shareholders of the VIEs are certain nominee shareholders from the Company or SINA. The capital for their investments in the VIEs is funded by the Company and recorded as interest-free loans to these individuals. These loans were eliminated with the capital of the VIEs during consolidation. Each shareholder of the VIEs has agreed to transfer their equity interest in the VIEs to Weibo Technology when permitted by PRC laws and regulations or to designees of the Company at any time for the amount of loans outstanding. All voting rights of the VIEs, including without limitation the right to appoint all directors of the VIEs, has been assigned to Weibo Technology. Weibo Technology has also entered into exclusive technical service agreements with the VIEs under which Weibo Technology provides technical and other services to the VIEs in exchange for substantially all net income of the VIEs. In addition, the shareholders of the VIEs have pledged their shares in the VIEs as collateral for the non-payment of loans or for the technical and other services fees due to Weibo Technology. As of December 31, 2021 and 2022, the total amounts of interest-free loans to the VIEs' shareholders were US\$92.0 million and US\$84.8 million, respectively. The VIEs and VIEs' subsidiaries had accumulated deficit of US\$132.5 million and US\$150.8 million as of December 31, 2021 and 2022, respectively, which were included in the Group's consolidated financial statements.

The following table sets forth the assets, liabilities, results of operations and cash flows of the VIEs and VIEs' subsidiaries taken as a whole, which are included in the Group's consolidated balance sheets and consolidated statements of comprehensive income:

	As of December 31,	
	2021	2022
	(In US\$ thousands)	
Cash and cash equivalents	\$ 183,543	\$ 657,578
Short-term investments	110,472	53,822
Accounts receivable	650,278	467,083
Prepaid expenses and other current assets	160,722	179,516
Amount due from SINA	36,211	17,908
Property and equipment, net	1,812	1,641
Operating lease assets	28,049	25,776
Intangible assets, net	166,930	124,856
Goodwill	130,405	120,151
Long-term investments	439,922	327,423
Other non-current assets	352,008	295,500
Total assets	\$ 2,260,352	\$ 2,271,254
Accounts payable	\$ 129,498	\$ 97,269
Accrued and other liabilities	480,866	405,979
Income taxes payable	41,882	25,055
Deferred revenues	57,348	45,433
Amount due to the subsidiaries of the Group	1,462,242	1,676,499
Operating lease liability	28,022	26,756
Deferred tax liability	39,637	28,665
Other non-current liabilities	15,122	—
Total liabilities	2,254,617	2,305,656
Redeemable non-controlling interests	66,622	45,795
Total shareholders' equity	(60,887)	(80,197)
Total liabilities, redeemable non-controlling interests and shareholders' equity	\$ 2,260,352	\$ 2,271,254
	Year Ended December 31,	
	2020	2021
	(In US\$ thousands)	
Net revenues (no revenues from entities within the Group)	\$ 1,319,080	\$ 1,821,294
Net loss	\$ (129,126)	\$ (36,406)
	\$ 1,540,585	\$ (18,356)

	Year Ended December 31,		
	2020	2021	2022
	(In US\$ thousands)		
Net cash provided by (used in) operating activities *	\$ 157,262	\$ 335,940	\$ (136,442)
Net cash provided by (used in) investing activities	\$ (272,958)	\$ (583,397)	\$ 410,164
Net cash provided by financing activities*	\$ 290,234	\$ 156,997	\$ 226,938

* The amount of cash flows provided by operating activities and the amount of cash flows provided by financing activities for the year ended December 31, 2021 have been revised to reflect a reclassification adjustment of US\$145.6 million loans from the primary beneficiary to the VIEs, which was previously classified as operating activities.

Under the contractual arrangements with the VIEs, the Company has the power to direct activities of the VIEs through Weibo Technology and can have assets transferred freely out of the VIEs without restrictions. Therefore, the Company considers that there is no asset of the VIEs that can only be used to settle obligations of the VIEs and VIEs' subsidiaries, except for the registered capital and non-distributable reserve funds of the VIEs and VIEs' subsidiaries, amounting to US\$241.4 million and US\$228.0 million as of December 31, 2021 and 2022, respectively. Since the VIEs are incorporated as limited liability companies under the PRC Company Law, creditors of the VIEs do not have recourse to the general credit of the Company. There is currently no contractual arrangement that would require the Company to provide additional financial support to the VIEs. As the Company is conducting certain businesses mainly through the VIEs, the Company may provide such support on a discretionary basis in the future, which could expose the Company to a loss. The total amount of costs and expenses allocated from SINA to the VIEs was US\$8.7 million, US\$3.4 million and US\$4.2 million for 2020, 2021 and 2022, respectively.

The VIEs hold assets with no carrying value in the consolidated balance sheets that are important to the Company's ability to produce revenue (referred to as unrecognized revenue-producing assets). Unrecognized revenue-producing assets held by the VIEs include the Internet Content Provision License, the Online Culture Operating Permit, the domain names of Weibo.com, Weibo.cn and Weibo.com.cn and so on. Recognized revenue-producing assets held by the VIEs include game technology, supplier-relationship contracts, and trademark and domain names, which were acquired through the previous acquisitions. Unrecognized revenue-producing assets, including customer lists relating to advertising and marketing services, membership, and game-related services, as well as trademarks, are also held by Weibo Technology.

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, who are senior officers of the Group or SINA, but not the controlling shareholders of SINA, 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 the 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 to the appointment of directors, transfer, mortgage or dispose 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.

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. Weimeng has 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 Consent Letters. Each of the spouses of the shareholders of Weimeng signed the spousal consent letters. The shareholders, except for the third party minority stakeholder, collectively hold 99% equity interest in Weimeng. 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, 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, to be bound by the abovementioned agreements, comply with the obligations thereunder as a shareholder of Weimeng and sign a series of written documents in substantially the same format and content as the abovementioned agreements.

These VIE agreements provide Weibo Technology with the power to direct the activities that most significantly affect the economic performance of the Group's consolidated VIEs and enable the Group to receive substantially all of the economic benefits generated by them. For the years ended December 31, 2020, 2021 and 2022, the total amount of service fees that Weibo Technology charged to Weimeng under these service agreements and trademark license agreement was US\$766.8 million, US\$1,026.2 million and US\$745.1 million, respectively, which were based on the actual cost incurred from providing the services and the operations of Weimeng.

Weibo Technology, Weimeng Chuangke and Weimeng Chuangke's shareholders have entered into contractual arrangements which contain agreements and terms substantially similar to Weibo Technology's contractual arrangements with Weimeng and Weimeng's shareholders described above.

Minority Investment in Weimeng

In April 2020, WangTouTongDa (Beijing) Technology Co., Ltd., a subsidiary of a state-owned enterprise, China Internet Investment Fund Management Co., Ltd., which is owned by several state-owned enterprises, made an investment of approximately 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 mentioned above that are currently in effect among Weimeng, Weibo Technology and Weimeng's other shareholders. As such, despite the fact that the Company is still able to enjoy economic benefits and exercise effective control over Weimeng and its subsidiaries, the Company is 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 is it granted the authorization of voting rights over these 1% equity interests. The Company believes Weibo Technology, the 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.

The Company believes that the contractual arrangements among the WFOE, VIEs and VIEs' shareholders are in compliance with the current PRC laws and legally enforceable. However, uncertainties in the interpretation and enforcement of the PRC laws, regulations and policies could limit the Company's ability to enforce these contractual arrangements. As a result, the Company may be unable to consolidate the VIEs and VIEs' subsidiaries in the consolidated financial statements. The Company's ability to control the VIEs also depends on the authorization by the shareholders of the VIEs to exercise voting rights on all matters requiring shareholder approval in the VIEs. The Company believes that the agreements on authorization to exercise shareholder's voting power are legally enforceable. In addition, if the legal structure and contractual arrangements with the VIEs were found to be in violation of any future PRC laws and regulations, the Company may be subject to fines or other actions. The Company believes the possibility that it will no longer be able to control and consolidate the VIEs as a result of the aforementioned risks and uncertainties is remote.

2. Significant Accounting Policies

Basis of presentation

The preparation of the Group's consolidated financial statements is in conformity with U.S. GAAP. The consolidated financial statements include the accounts of Weibo, its wholly owned subsidiaries, VIEs, and VIEs' subsidiaries. All significant intercompany balances and transactions have been eliminated.

Use of estimates

Conformity with U.S. GAAP requires the use of estimates and judgments that affect the reported amounts in the consolidated financial statements and accompanying notes. These estimates form the basis for judgments the management makes about the carrying values of the assets and liabilities, which are not readily apparent from other sources. U.S. GAAP requires making estimates and judgments in several areas, including, but not limited to, the basis of consolidation, revenue recognition, fair value accounting, income taxes, long-term investments, goodwill and other long-lived assets, allowances for credit losses, stock-based compensation, the estimated useful lives of assets, convertible debt, business combination, and foreign currency. The management bases the estimates and judgments on historical information and on various other assumptions that management believes are reasonable under the circumstances. Actual results could differ materially from such estimates.

Revenue recognition

Under ASC 606, revenues are recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the consideration the Group expects to be entitled to in exchange for those goods or services. The Group identifies its contracts with customers and all performance obligations within those contracts. The Group then determines the transaction price and allocates the transaction price to the performance obligations within the Group's contracts with customers, recognizing revenue when, or as, the Group satisfies its performance obligations.

The Group does not believe that significant management judgments are involved in revenue recognition, but the amount and timing of the Group's revenues could be different for any period if management made different judgments. Certain customers may receive sales rebates, which are accounted for as variable consideration. The Group estimates annual expected revenue volume of each individual agent with reference to their historical results. The Group recognizes revenue for the amount of fees it receives from its customers, after deducting estimated sales rebates and net of value-added tax ("VAT") under ASC 606. The Group believes that there will not be significant changes to its estimates of variable consideration.

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The Group considers the ultimate beneficiary of its online advertising services as an “advertiser,” meaning the party whose products, brand awareness or marketing activities benefited from the execution of advertisement. The Group considers a party that it enters into an advertisement service contract with as its “customer” from accounting perspective. As such, the Group treats an advertising agency who enters into an advertisement service contract with it as a customer, and such advertising agency may represent and serve multiple advertisers. If an advertiser directly enters into an advertisement service contract with the Group, it will treat such advertiser also as a customer.

Revenue disaggregated by revenue source for the years ended December 31, 2020, 2021 and 2022 consists of the following:

	Year Ended December 31,		
	2020	2021	2022
	(In US\$ thousands)		
Advertising and marketing revenues			
Revenues from advertisers signing contracts with the Group directly	\$ 416,270	\$ 478,874	\$ 356,503
Revenues from advertising agencies	1,069,885	1,501,921	1,240,147
	1,486,155	1,980,795	1,596,650
Value-added services revenues	203,776	276,288	239,682
Total revenues	\$ 1,689,931	\$ 2,257,083	\$ 1,836,332

The Group enters into contracts with its customers, which may give rise to contract assets (unbilled revenue) or contract liabilities (deferred revenue). The payment terms and conditions within the Group’s contracts vary by the type and location of its customers and products or services purchased, the substantial majority of which are due in less than one year. Deferred revenues related to unsatisfied performance obligations at the end of the period are mainly from the customer advance of the advertising and marketing services and the sales of the fee-based services, such as membership, live streaming, and virtual currency or in-game virtual items sold for game related services. The deferred revenues are recognized based on customers’ consumption or amortized on a straight-line basis through the service period for different products/services. Due to the generally short-term duration of the contracts, the majority of the performance obligations are satisfied in the following reporting period. The amount of revenue recognized that was included in the deferred revenue balance at the beginning of the period was US\$91.5 million, US\$126.5 million and US\$56.1 million for the years ended December 31, 2020, 2021 and 2022, respectively.

Practical Expedients and Exemptions

The Group generally expenses sales commissions when incurred because the amortization period is generally one year or less. These costs are recorded within sales and marketing expenses.

Advertising and marketing revenues

Advertising and marketing revenues are derived principally from online advertising, including social display ads and promoted marketing. Social display ad arrangements allow customers to place advertisements on particular areas of the Group’s platform or website in particular formats and over particular periods of time, which is typically no more than three months. The Group enters into cost per mille (“CPM”), or cost per thousand impressions, advertising arrangements with the customers, under which the Group recognizes revenues based on the number of times that the advertisement has been displayed. The Group also enters into cost per day (“CPD”) advertising arrangements with customers, under which the Group recognizes revenues ratably over the contract periods. Promoted marketing arrangements are primarily priced based on CPM. Under the CPM model, customers are obligated to pay when the advertisement is displayed.

The Group’s majority revenue transactions are based on standard business terms and conditions, which are recognized net of agency rebates. The agency rebates are accounted for as variable consideration and are estimated during interim periods based on estimated annual revenue volume of each individual agent with reference to their historical results, which involves accounting judgment. The Group believes its estimation approach in variable consideration results in revenue recognition in a manner consistent with the underlying economics of the transaction.

The Group's contracts with customers may include multiple performance obligations, which primarily consist of combinations of service to allow customers to place advertisements on different areas of its platform or website. For such arrangements, advertising arrangements involving multiple deliverables are broken down into single-element arrangements based on their stand-alone selling price for revenue recognition purposes. The estimation of stand-alone selling price involves significant judgment, especially for the deliverables that have not been sold separately. For those deliverables, the Group determines best estimate of the stand-alone selling price by taking into consideration of the pricing of advertising areas of the Group's platform or website with similar popularities and advertisements with similar formats and quoted prices from competitors and other market conditions. The Group believes the estimation approach in stand-alone selling price and allocation of the transaction price on a relative stand-alone selling price to each performance obligation results in revenue recognition in a manner consistent with the underlying economics of the transaction and the allocation principle included in ASC 606. Revenues recognized with reference to best estimation of selling price were immaterial for all periods presented. Most of such contracts have all performance obligations completed within one year. Changes in judgments on these assumptions and estimates could materially impact the timing or amount of revenue recognition. Contracts with customers of online advertising may require cooperation from third parties. The Group pays a predetermined portion of revenues earned from advertising contracts to the third parties such as key opinion leaders who participate in advertising and promotion activities by monetizing their social assets. The Group has determined that it is the principal in these transactions, as it has primary responsibility for fulfilling all the obligations related to advertising contracts. The Group has discretion in establishing pricing of the contracts and controls the advertising inventory before the delivery to customers. The Group records revenues derived from such contracts on a gross basis and the portion paid to the third parties is recognized as cost of revenues.

Revenues from barter transactions are recognized during the period in which the advertisements are displayed on the Group's properties. Barter transactions in which physical goods or services are received in exchange for advertising services are recorded based on the fair values of the goods or services received.

Value-added services revenues

The Group generates value-added services revenues principally from fee-based services, mainly including membership, live streaming, and game-related services. Other value-added services revenues mainly include the revenues from the provision of traffic acquisition services to various customers. Revenues from these services are recognized when control of the promised services is transferred to customers, in an amount that reflects the consideration the Group expects to be entitled to in exchange for those services.

Membership. Membership mainly includes a service package consisting of one performance obligation of providing user certification and preferential benefits, such as daily priority listings and higher quota for following user accounts. Prepaid membership fees are recorded as deferred revenue and recognized as revenue ratably over the contract period of the membership service.

Live streaming. Live streaming generates revenue from sales of virtual items on the live-streaming platform ("Yizhibo"). Users can access the platform and view the live streaming content and interact with the broadcasters for free.

The Group designs, creates and offers various virtual items for sales to users with pre-determined selling prices. Each virtual item is considered as a distinctive performance obligation. Sales proceeds are recorded as deferred revenue and recognized as revenue based on the consumption of the virtual items. Users can purchase and present virtual items to broadcasters to show support for their favorite ones. Under the arrangements with broadcasters or broadcaster agencies, the Group shares with them a portion of the revenues derived from the consumption of virtual items. Revenues derived from the sale of virtual items are recorded on a gross basis as the Group has determined that it acts as the principal to fulfill all obligations related to the live streaming services. The portion paid to broadcasters and/or broadcaster agencies is recognized as cost of revenues. The Group does not have further obligations to the user after the virtual items are consumed.

In June 2022, the Group adjusted its strategy for live streaming business and decided to transfer the operation of the Yizhibo business to a related party with the ownership of all the intellectual properties unchanged. The Group recognizes immaterial revenues from live streaming since the second quarter of 2022.

Game-related services. Game-related service revenues are mostly generated from the purchase of virtual items by game players through the Group's platform, including items, avatars, skills, privileges or other in game consumables, features or functionality, within the games. The Group's performance obligation is to provide on-going game services to players who purchased virtual items to gain an enhanced game-playing experience. Each virtual item is considered as a distinctive performance obligation. The Group collects payments from the game players in connection with the sale of virtual currency, which can be used to purchase virtual items in online games. For games co-operated with third party developers, revenue is recorded on a gross basis for games that the Group is acting as the principal in fulfilling all obligations related to the games and revenue is recorded net of predetermined revenue sharing with the game developers for games in which the Group is not acting as the principal in fulfilling all obligations. Sales of virtual currencies are recognized as revenues over the estimated lifespans of in-game virtual items. The estimated lifespans of different virtual items are determined by the management based on either the expected user relationship periods or the stipulated period of validity of the relevant virtual items depending on the respective term of virtual items. Virtual currency sold for game-related services in excess of recognized revenues is recorded as deferred revenues.

Cost of revenues

Cost of revenues consists mainly of costs associated with the maintenance of platform, which primarily include bandwidth and other infrastructure costs, revenue-share cost, advertisement production cost, labor cost and turnover taxes levied on the revenues, part of which were allocated from SINA. The Group is subject to 3% cultural business construction fees for its advertising and marketing revenues, which is included in cost of revenues. Starting from July 1 2019, the 3% cultural business construction fees was reduced to 1.5%, valid until December 31, 2024. Moreover, as part of the measures taken by the government to ease the negative impact from Covid-19 pandemic, the cultural business construction fees were exempted for the fiscal years of 2020 and 2021. An aggregate of US\$24.6 million and US\$28.7 million cultural business construction fees was exempted for the years ended December 31, 2020 and 2021, respectively. The cultural business construction fees for the advertising and marketing revenues was restored to 1.5% since the fiscal year of 2022.

Sales and marketing expenses

Sales and marketing expenses consist mainly of online and offline advertising and promotional expenses, salary, benefits and commission expenses, and facility expenses. Advertising and promotional expenses generally represent the expenses of promotions of corporate image and product marketing. The Group expenses all advertising and promotional expenses as incurred and classifies these expenses under sales and marketing expenses. Pursuant to the adoption of ASC 606, the recognition of revenues and expenses at fair value for advertising barter transactions has resulted in an increase of revenue and advertising expenses. For the years ended December 31, 2020, 2021 and 2022, the advertising and promotional expenses were US\$330.9 million, US\$418.0 million and US\$310.4 million, respectively.

Product development expenses

Product development expenses consist mainly of payroll-related expenses and infrastructure costs incurred for enhancement to and maintenance of the Group's platform, as well as costs associated with new product development and product enhancements, part of which were allocated from SINA. The Group expenses all costs incurred for the planning, post implementation phases of development and costs associated with repair or maintenance of the existing site or the development of platform content. Since inception, the amount of costs qualifying for capitalization has been immaterial and, as a result, all product development costs have been expensed as incurred.

Stock-based compensation

All stock-based awards to employees and directors, such as stock options and restricted share units ("RSUs"), are measured at the grant date based on the fair value of the awards. Stock-based compensation, net of forfeitures, is recognized as expense on a straight-line basis over the requisite service period, which is the vesting period.

The Group uses the Black-Scholes option pricing model to estimate the fair value of stock options. The determination of estimated fair value of stock-based payment awards on the grant date using an option pricing model is affected by the fair value of the Company's ordinary shares as well as assumptions regarding a number of complex and subjective variables. These variables include the expected value volatility of the Company over the expected term of the awards, actual and projected employee stock option exercise behaviors, a risk-free interest rate and expected dividends, if any. Options granted generally vest over four years.

The Group recognizes the estimated compensation cost of restricted share units based on the fair value of its ordinary shares on the date of the grant. The Group recognizes the compensation cost, net of estimated forfeitures, over a vesting term of generally four years for service-based restricted share units. The Group uses Monte Carlo simulation model to estimate the fair value of restricted share units with market conditions on the date of the grant and recognizes the estimated compensation cost, net of estimated forfeitures, over the estimated requisite service period. The Group also recognizes the compensation cost of performance-based restricted share units, net of estimated forfeitures, if it is probable that the performance condition will be achieved at the end of each reporting period.

Forfeitures are estimated at the time of grant and revised in subsequent periods if actual forfeitures differ from those estimates. The Group uses historical data to estimate pre-vesting option and records stock-based compensation expense only for those awards that are expected to vest. See Note 7 *Stock-based Compensation* for further discussion on stock-based compensation.

Taxation

Income taxes. Income taxes are accounted for using the asset and liability approach. Under this approach, income tax expense is recognized for the amount of taxes payable or refundable for the current year. In addition, deferred tax assets and liabilities are recognized for expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating losses and tax credit carry forwards. The Group records a valuation allowance to reduce deferred tax assets to an amount for which realization is more likely than not.

Uncertain tax positions. To assess uncertain tax positions, the Group applies a more likely than not threshold and a two-step approach for the tax position measurement and financial statement recognition. Under the two-step approach, the first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon settlement.

Short-term investments

Short-term investments represent bank time deposits and wealth management products which are certain deposits with variable interest rates or principal not-guaranteed with certain financial institutions. Their original maturities are of greater than three months but less than one year. In accordance with ASC 825, *Financial Instruments*, for wealth management products with the interest rate indexed to performance of underlying assets, the Group elected the fair value method at the date of initial recognition and re-measured these investments at fair value. Investment in wealth management products, long-term, was recorded in other non-current assets on the Group's consolidated balance sheets. Changes in the fair value are reflected in the consolidated statements of comprehensive income as interest income.

Credit losses

In 2016, the FASB issued ASC Topic 326, the guidance is applicable to accounts receivable and the Group adopted ASC Topic 326 on January 1, 2020. The Group makes estimates of expected credit and collectability trends for the allowance for credit losses based upon assessment of various factors, including historical experience, the age of the accounts receivable balances, credit-worthiness of the customers, current economic conditions, reasonable and supportable forecasts of future economic conditions, and other factors that may affect its ability to collect from the customers. The Group also provides specific provisions for allowance when facts and circumstances indicate that the receivable is unlikely to be collected. Expected credit losses for accounts receivable are recorded as general and administrative expenses on the consolidated statements of comprehensive income.

ASC Topic 326 is also applicable to the loans to and interest receivable from other related parties included in the prepaid expenses and other current assets and other non-current assets on the consolidated balance sheets. Management estimates the allowance for credit losses on loans and interest receivable not sharing similar risk characteristics on an individual basis. The key factors considered when determining the above allowances for credit losses include estimated loan collection schedule, discount rate, and assets and financial performance of the borrowers.

Fair value measurements

Financial instruments

All financial assets and liabilities are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. Accounting guidance defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Group considers the principal or most advantageous market in which it would transact and it considers assumptions that market participants would use when pricing the asset or liability.

The Group measures the equity method investments at fair value on a non-recurring basis only if an impairment charge were to be recognized. For those investments without readily determinable fair value, the Group measures them at fair value when observable price changes are identified or impairment charge was recognized. The fair values of the Group's privately held investments as disclosed are determined based on the discounted cash flow model using the discount curve of market interest rates or based on the similar transaction price in the market directly. The fair values of the Group's long-term investments in the equity securities of publicly listed companies are measured using quoted market prices. The Group's non-financial assets, such as intangible assets, goodwill, fixed assets and operating lease assets, are measured at fair value only if they are determined to be impaired.

Accounting guidance establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. Accounting guidance establishes three levels of inputs that may be used to measure fair value:

- Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical asset or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.
- Level 3 applies to asset or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The carrying amount of cash and cash equivalents, short-term investments, accounts receivable due from third parties, accounts receivable due from Alibaba, accounts receivable due from other related parties, amount due from SINA, accounts payable, accrued and other liabilities approximates fair value because of their short-term nature. See Note 14 *Fair Value Measurement* for additional information.

Long-term investments

Long-term investments are comprised of investments in publicly traded companies, privately held companies, and limited partnerships. The Group uses the equity method to account for ordinary-share-equivalent equity investments on which it has significant influence but does not own a majority equity interest or otherwise control.

The Group measures investments in equity securities, other than equity method investments, at fair value through earnings. For those investments without readily determinable fair values, the Group elects to record these investments at cost, less impairment, plus or minus subsequent adjustments for observable price changes (referred to as the measurement alternative). Under this measurement alternative, changes in the carrying value of the investments will be recognized in consolidated statement of comprehensive income, whenever there are observable price changes in orderly transactions for the identical or similar investment of the same issuer.

Pursuant to ASC 321, for equity investments measured at fair value with changes in fair value recorded in earnings, the Group does not assess whether those securities are impaired. For equity investments without readily determinable fair value for which the Group has elected to use the measurement alternative, the Group makes a qualitative assessment of whether the investment is impaired at each reporting date, applying significant judgement in considering various factors and events including a) adverse performances and business prospects of the investees; b) adverse changes in the general market condition affecting investees; c) adverse changes in regulatory, economic or technological environment of the investees and d) adverse changes in cash flow forecasts of investees. If a qualitative assessment indicates that the investment is impaired, the Group estimates the investment's fair value in accordance with the principles ASC 820 - Fair Value Measurement. If the fair value is less than the investment's carrying value, the Group recognizes an impairment loss in net income equal to the difference between the carrying value and fair value. Significant judgement is applied by the Group in estimating the fair value to determine if an impairment exists, and if so, to measure the impairment losses for these equity security investments. These judgements include the selection of valuation methods in estimating fair value and the determination of key valuation assumptions used, which are related to selection of comparable companies, valuation multiples, revenue growth rate of investees, scenario probability estimates and lack of marketability discounts.

Investments in entities which the Group can exercise significant influence and holds an investment in voting common shares or in-substance common shares (or both) of the investee but does not own a majority equity interest or control are accounted for using the equity method of accounting in accordance with ASC topic 323 ("ASC 323"), Investment — Equity Method and Joint Ventures. Under the equity method, the Group initially records its investments at cost and the difference between the cost of the equity investee and the fair value of the underlying equity in the net assets of the equity investee is recognized as equity method goodwill, which is included in the equity method investment on the consolidated balance sheets. The Group subsequently adjusts the carrying amount of the investments to recognize the Group's proportionate share of each equity investee's net income or loss into earnings after the date of investment. The Group evaluates the equity method investments for impairment under ASC 323. An impairment loss on the equity method investments is recognized in earnings when the decline in value is determined to be other-than-temporary.

In January 2020, the FASB issued ASU No. 2020-01, Investments—Equity Securities (Topic 321), Investments—Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815)—Clarifying the Interactions between Topic 321, Topic 323, and Topic 815 (a consensus of the Emerging Issues Task Force). The amendments in this update clarify the interaction of the accounting for equity securities under Topic 321 and investments accounted for under the equity method of accounting in Topic 323 and the accounting for certain forward contracts and purchased options accounted for under Topic 815. The Group adopted the ASU on January 1, 2021, which did not have a material impact on the consolidated financial statements.

Business combination

Business combinations are recorded using the purchase method of accounting, and the cost of an acquisition is measured as the aggregate of the fair values at the date of exchange of the assets given, liabilities incurred, and equity instruments issued as well as the contingent considerations and all contractual contingencies as of the acquisition date. The costs directly attributable to the acquisition are expensed as incurred. Identifiable assets, liabilities and contingent liabilities acquired or assumed are measured separately at their fair value as of the acquisition date, irrespective of the extent of any non-controlling interests. The excess of the (i) the total of consideration paid, fair value of the non-controlling interests and acquisition date fair value of any previously held equity interest in the subsidiary acquired over (ii) the fair value of the identifiable net assets of the subsidiary acquired is recorded as goodwill. If the consideration of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statements of comprehensive income.

Leases

The Group determines if an arrangement is a lease at inception by evaluating whether the arrangement conveys the right to use an identified asset and whether the Group obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. Operating lease assets and liabilities are included in operating lease right-of-use assets, operating lease liabilities, short-term, and operating lease liabilities, long-term on the Group's consolidated balance sheets. The Group has chosen to not recognize lease assets and lease liabilities for leases with a term of twelve months or less on the consolidated balance sheets.

Operating lease right-of-use assets and operating lease liabilities are recognized based on the present value of lease payments over the lease terms at the lease commencement dates. The Group uses its incremental borrowing rate in determining the present value of lease payments. The incremental borrowing rate is a hypothetical rate based on the Group's understanding of what interest the Group would pay in order to obtain a borrowing with an amount equivalent to the lease payments in a similar economic environment over the lease term on a collateralized basis from banks in China.

Certain lease agreements contain an option for the Group to renew a lease for a term agreed by the Group and the lessor or an option to terminate a lease earlier than the maturity dates. The Group considers these options, which may be elected at the Group's sole discretion, in determining the lease term on a lease-by-lease basis. The Group's lease agreements generally do not contain any residual value guarantees or material restrictive covenants. Certain of the Group's leases contain free or escalating rent payment terms. The Group's lease agreements generally contain lease and non-lease components. Non-lease components primarily include payments for maintenance and utilities. The Group has chosen to combine payments for non-lease components with lease payments and accounted them together as a single lease component. Payments under the lease arrangements are primarily fixed. However, for arrangements accounted for as a single lease component, there may be variability in future lease payments as the amount of the non-lease components is typically revised from one period to the next.

Long-lived assets

Property and equipment

Property and equipment are stated at cost less accumulated depreciation, amortization and impairment, if any. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally from three to four years for computers and equipment and five years for furniture and fixtures. Leasehold improvements are amortized over the shorter of the estimated useful lives of the assets or the remaining lease term. Depreciation expenses were US\$26.5 million, US\$32.8 million and US\$33.2 million for the years ended December 31, 2020, 2021 and 2022, respectively.

Goodwill

Goodwill represents the excess of the purchase price over the fair value of the identifiable assets and liabilities acquired as a result of the Group's acquisitions of interests in its subsidiaries, consolidated VIEs and VIEs' subsidiaries. The Group assesses goodwill for impairment in accordance with ASC Subtopic 350-20 ("ASC 350-20"), *Intangibles - Goodwill and Other: Goodwill*, which requires that goodwill be tested for impairment at the reporting unit level at least annually and more frequently upon the occurrence of certain events, as defined by ASC 350-20. The guidance provides the option that the Group may first assess qualitative factors to determine whether it is necessary to perform the quantitative goodwill impairment test, by taking into consideration of macroeconomics, overall financial performance, industry and market conditions and the share price of the Group. If determined to be necessary, the quantitative impairment test shall be used to identify goodwill impairment and measure the amount of a goodwill impairment loss to be recognized (if any). Application of a goodwill impairment test requires significant management judgment, including the identification of reporting units, assigning assets and liabilities to reporting units, assigning goodwill to reporting units, and determining the fair value of each reporting unit. Judgment in estimating the fair value of reporting units includes estimating future cash flows, determining appropriate discount rates and making other assumptions. Changes in these estimates and assumptions could materially affect the determination of fair value for each reporting unit. For years ended December 31, 2020, 2021 and 2022, no impairment indicator was noted by performing qualitative analysis, therefore, no provision was recorded.

Intangible assets other than goodwill

Intangible assets arising from acquisitions are recognized at fair value upon acquisition and amortized on a straight-line basis over their estimated useful lives, generally from three to ten years. Long-lived assets and certain identifiable intangible assets other than goodwill to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability is based on an estimate of undiscounted future cash flows resulting from the use of the asset and its eventual disposition. Measurement of any impairment loss for long-lived assets and certain identifiable intangible assets that management expects to hold or use is based on the amount by which the carrying value exceeds the fair value of the asset. Judgment is used in estimating future cash flows, determining appropriate discount rates and making other assumptions. Changes in these estimates and assumptions could materially affect the determination of the asset's fair value.

Convertible debt and unsecured senior notes

The Group determines the appropriate accounting treatment of its convertible debt in accordance with the terms in relation to the conversion feature. After considering the impact of such features, the Group may account for such instrument as a liability in its entirety, or separate the instrument into debt and equity components following the respective guidance described under ASC 815 *Derivatives and Hedging* and ASC 470 *Debt*.

The debt discount, if any, together with related issuance cost are subsequently amortized as interest expense over the contractual life. The Group presented the issuance costs of debt as a direct deduction from the related debt during the periods presented.

The unsecured senior notes are recognized initially at fair value, net of debt discounts or premiums, if any, issuance costs and other incidental fees, all of which are recorded as a direct deduction of the proceeds received from issuing the unsecured senior notes and the related accretion is recorded as interest expense in the consolidated statement of comprehensive income over the estimated term using the effective interest method.

Deferred revenues

Deferred revenues consist of contractual billings in excess of recognized revenue and payments received in advance of revenue recognition, which are mainly from the customer advance of the advertising and marketing services and the sales of the fee-based services, such as membership, live streaming, and virtual currency or in-game virtual items sold for game related services.

Non-controlling interests

For the Company's majority-owned subsidiaries and VIE, non-controlling interests are recognized to reflect the portion of their equity that is not attributable, directly or indirectly, to the Company as the controlling shareholder. To reflect the economic interest held by non-controlling shareholders, net income/loss attributable to the non-controlling ordinary shareholders is recorded as non-controlling interests in the Company's consolidated statements of comprehensive income. Non-controlling interests are classified as a separate line item in the equity section of the Company's consolidated balance sheets and have been separately disclosed in the Company's consolidated financial statements to distinguish the interests from that of the Company.

Foreign currency

The Company's reporting currency and functional currency is the U.S. dollar. The Group's operations in China and in international regions use their respective currencies as their functional currencies. The financial statements of these subsidiaries are translated into U.S. dollars using period-end rates of exchange for assets and liabilities and average rates of exchange in the period for revenues, costs and expenses. Translation gains and losses are recorded in accumulated other comprehensive income (loss) as a component of shareholders' equity. Translation gains or losses are not released to net income unless the associated net investment has been sold, liquidated, or substantially liquidated.

Foreign currency transactions denominated in currencies other than the functional currency are translated into the functional currency using the exchange rate prevailing on the transactions dates. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency using the applicable exchange rates at the balance sheets dates. Net gains and losses resulting from foreign exchange transactions are included in other income, net.

Foreign currency translation adjustments included in the Group's consolidated statements of comprehensive income for the years ended December 31, 2020, 2021 and 2022 were a gain of US\$148.5 million, a gain of US\$78.2 million and a loss of US\$261.7 million, respectively. Net foreign currency transaction gains or losses arise from transacting in a currency other than the functional currency of the entity and the amounts recorded were immaterial for 2020 and 2021, and a loss of US\$67.0 million for the year ended 2022, respectively.

Net income per share

Basic net income per share is computed using the weighted average number of ordinary shares outstanding during the period. Options and RSUs are not considered outstanding in the computation of basic earnings per share. Diluted net income per share is computed using the weighted average number of ordinary shares and potential ordinary shares outstanding during the period, which include options to purchase ordinary shares, restricted share units and conversion of the convertible debt. The computation of diluted net income per share does not assume conversion, exercise, or contingent issuance of securities that would have an anti-dilutive effect (i.e. an increase in earnings per share amounts or a decrease in loss per share amounts) on net income per share. The Group uses the two-class method to calculate net income per share though both classes share the same rights in dividends. Therefore, basic and diluted earnings per share are the same for both classes of ordinary shares.

Segment reporting

In accordance with ASC 280, *Segment Reporting*, the Group's chief operating decision maker ("CODM"), the Chief Executive Officer, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole. The Group currently operates and manages its business in two principal business segments globally—advertising and marketing services and value-added services. Information regarding the business segments provided to the Group's CODM is at the revenue level and the Group currently does not allocate operating costs or assets to its segments, as its CODM does not use such information to allocate resources or evaluate the performance of the operating segments. As the Group's long-lived assets are substantially all located in the PRC and substantially the Group's revenues are derived from within the PRC, no geographical information is presented.

Concentration of risks

Concentration of credit risk. Financial instruments that potentially subject the Group to a concentration of credit risk consist primarily of cash and cash equivalents, short-term investments and accounts receivable. In addition, with the majority of its operations in China, the Group is subject to RMB currency risk and offshore remittance risk, both of which have been difficult to hedge and the Group has not done so. The Group limits its exposure to credit loss by depositing its cash and cash equivalents with financial institutions in the US, PRC and Hong Kong, which are among the largest financial institutions with high ratings from internationally-recognized rating agencies, that management believes are of high credit quality. The Group periodically reviews these institutions' reputations, track records and reported reserves.

As of December 31, 2021 and 2022, the Group had US\$2.5 billion and US\$2.5 billion, respectively, in cash and cash equivalents and short-term investments, such as bank time deposits with large domestic banks in China. The terms of these deposits are, in general, up to twelve months. China promulgated a Bankruptcy Law that came into effect on June 1, 2007, which contains a separate article expressly stating that the State Council may promulgate implementation measures for the bankruptcy of Chinese banks based on the Bankruptcy Law. Under the Bankruptcy Law, a Chinese bank may go bankrupt. In addition, since China's concession to WTO, foreign banks have been gradually permitted to operate in China and have become significant competitors to Chinese banks in many aspects, especially since the opening of RMB business to foreign banks in late 2006. Therefore, the risk of bankruptcy on Chinese banks in which the Group holds cash and bank deposits has increased. In the event that a Chinese bank that holds the Group's deposits goes bankrupt, the Group is unlikely to claim its deposits back in full, since it is unlikely to be classified as a secured creditor to the bank under the PRC laws. The Group's total cash and cash equivalents and short-term investments held at two financial institutions in mainland China, representing 30% and 23% of the Group's total cash and cash equivalents and short-term investments as of December 31, 2022.

Alibaba, as an advertiser, accounted for 9%, 6% and 6% of the Group's total revenues for the years ended December 31, 2020, 2021 and 2022, respectively. No customer nor advertising agency accounted for 10% or more of the Group's revenues. The Group's top 10 advertising agencies contributed to 32%, 35% and 42% of the Group's revenues for the years ended December 31, 2020, 2021 and 2022, respectively.

As of December 31, 2021 and 2022, substantially all accounts receivable were derived from the Group's China operations. Excluding accounts receivable due from Alibaba and other related parties, accounts receivable primarily consist of amounts due from advertising agencies and direct customers. Alibaba accounted for 12% and 15% of the Group's net accounts receivable as of December 31, 2021 and 2022, respectively.

Concentration of foreign currency risks. The majority of the Group's operations were in RMB. As of December 31, 2021 and 2022, the Group's cash, cash equivalents and short-term investments balance denominated in RMB was US\$1,485.1 million and US\$1,816.8 million, accounting for 47% and 57% of the Group's total cash, cash equivalents and short-term investments balance at the respective dates. As of December 31, 2021 and 2022, the Group's aggregate net accounts receivable balance (including accounts receivable due from third parties, Alibaba and other related parties) denominated in RMB was US\$723.1 million and US\$502.4 million, respectively, accounting for almost all of its net accounts receivable balance. As of December 31, 2021 and 2022, the Group's current liabilities balance denominated in RMB was US\$1,224.6 million and US\$971.6 million, accounting for 57% and 80% of its total current liabilities balance. The increase in proportion of total current liabilities in RMB in 2022 was mainly due to the maturity of US\$900 million convertible debt, which is denominated in US dollar. The Group may experience economic losses and negative impacts on earnings and equity, as well as translation risk, because of exchange rate fluctuations of the RMB against the U.S. dollars. Moreover, the Chinese government imposes controls on the convertibility of the RMB into foreign currencies and, in certain cases, the remittance of currency out of the PRC. The Group may experience difficulties in completing the necessary administrative procedures on a timely basis to remit its RMB out of the PRC and convert it into foreign currency.

Recent accounting pronouncements

In March 2022, the FASB issued ASU No. 2022-02, Financial Instruments-Credit Losses (Topic 326)-Troubled Debt Restructurings and Vintage Disclosures to respond to feedback received during the Post-Implementation Review (PIR) activities since the issuance of Accounting Standards Update No. 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. For entities that have adopted the amendments in Update 2016-13, the amendments in this Update are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. For entities that have not yet adopted the amendments in Update 2016-13, the effective dates for the amendments in this Update are the same as the effective dates in Update 2016-13. The Group is currently evaluating the impact of the new guidance on its consolidated financial statements.

3. Cash, Cash Equivalents and Short-term Investments

Cash, cash equivalents and short-term investments consist of the following:

	As of December 31,	
	2021	2022
	(In US\$ thousands)	
Cash and cash equivalents:		
Cash	\$ 2,423,703	\$ 2,690,768
Short-term investments:		
Bank time deposits	603,838	268,233
Wealth management products	107,224	212,195
Subtotal	711,062	480,428
Total cash, cash equivalents and short-term investments	\$ 3,134,765	\$ 3,171,196

The carrying amounts of cash, cash equivalents and short-term investments approximate fair value. Interest income was US\$85.8 million, US\$77.3 million and US\$105.4 million for the years ended December 31, 2020, 2021 and 2022, respectively, including US\$52.3 million, US\$46.1 million and US\$87.2 million interest income from cash, cash equivalents and short-term investments for the periods presented. The maturity dates for the time deposits and wealth management products were within one year.

4. Long-term Investments

Long-term investments comprised of investments in publicly traded companies, privately held companies, and limited partnerships. The following sets forth the changes in the Group's long-term investments:

	Equity Securities Without Readily Determinable Fair Values	Equity Method	Equity Securities With Readily Determinable Fair Values	Total
	(In US\$ thousands)			
Balance at December 31, 2019	\$ 558,602	\$ 199,379	\$ 269,478	\$ 1,027,459
Investments made/transferred from prepayments	134,925	92,925	30,500	258,350
Income from equity method investment	—	10,434	—	10,434
Dividend received from equity method investment	—	(320)	—	(320)
Disposal of investments	(2,067)	—	(48,334)	(50,401)
Impairment on investments	(126,820)	—	—	(126,820)
Fair value change through earnings (including adjustment of subsequent price changes)	(2,462)	—	37,577	35,115
Currency translation adjustment	16,906	8,743	—	25,649
Balance at December 31, 2020	579,084	311,161	289,221	1,179,466
Investments made/transfers from prepayments	96,768	182,200	—	278,968
Income from equity method investment, net	—	14,217	—	14,217
Dividend received from equity method investments	—	(11,695)	—	(11,695)
Disposal of investments	(75,667)	—	(4,946)	(80,613)
Changes from measurement alternative to consolidation (Note 6)	(66,415)	—	—	(66,415)
Reclassification of equity investment without readily determinable fair values to those with readily determinable fair values	(142,000)	—	142,000	—
Impairment on investments	(106,800)	—	—	(106,800)
Fair value change through earnings	(23,316)	—	9,877	(13,439)
Currency translation adjustment	7,062	6,900	—	13,962
Balance at December 31, 2021	268,716	502,783	436,152	1,207,651
Investments made/transfers from prepayments	36,423	114,909	—	151,332
Loss from equity method investment, net	—	(24,069)	—	(24,069)
Dividend received from equity method investments	—	(5,772)	—	(5,772)
Disposal of investments	(29,974)	(6,293)	—	(36,267)
Impairment on investments	(63,515)	—	—	(63,515)
Fair value change through earnings	—	—	(196,602)	(196,602)
Currency translation adjustment	(15,071)	(24,057)	—	(39,128)
Balance at December 31, 2022	\$ 196,579	\$ 557,501	\$ 239,550	\$ 993,630

For the years ended December 31, 2020, 2021 and 2022, the Group invested in private companies totaling US\$134.9 million, US\$96.8 million and US\$36.4 million, respectively, which were accounted for under investments without readily determinable fair values. These investments were primarily to further expand and strengthen the Group's ecosystem and mainly included an investment of US\$46.8 million in a financing guarantee company and an investment of US\$30.6 million in a commercial search business in 2020, a further investment of US\$39.5 million in the company operating Wuta application and a follow-on investment of US\$20.0 million in a company providing online brokerage services during 2021. The Group obtained control of the company operating the Wuta application through the step acquisition and recorded US\$27.6 million fair value change loss in 2021 for the equity interest previously held by the Group immediately prior to the step acquisition. The impact of the transaction was reflected in the changes from measurement alternative to consolidation. The Group also invested US\$92.9 million, US\$182.2 million and US\$114.9 million in companies, which were accounted for under equity method, for the years ended December 31, 2020, 2021 and 2022, respectively. These investments mainly included several investment funds in 2020, 2021 and 2022, respectively.

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The Group used measurement alternative for recording equity investments without readily determinable fair values at cost, less impairment, adjusted for subsequent observable price changes. Based on ASU 2016-01, entities that elect the measurement alternative will report changes in the carrying value of the equity investments in current earnings. If the measurement alternative is used, changes in the carrying value of the equity investment will be recognized whenever there are observable price changes in orderly transactions for the identical or similar investment of the same issuer, and impairment charges will be recorded when any impairment indicators are noted and the fair value is lower than the carrying value. The Group classifies the valuation techniques on investments that use similar identifiable transaction prices as Level 2 of fair value measurements.

The following table summarizes the total carrying value of the equity investments accounted for under the measurement alternative as of December 31, 2021 and 2022, respectively, including cumulative upward and downward adjustments made to the initial cost basis of the securities.

	Cumulative Results	
	(In US\$ thousands)	
Initial cost basis	\$	656,011
Upward adjustments		85,710
Downward adjustments		(490,498)
Foreign currency translation		17,493
Total carrying value at December 31, 2021	\$	<u>268,716</u>
Initial cost basis	\$	662,460
Upward adjustments		85,710
Downward adjustments		(554,013)
Foreign currency translation		2,422
Total carrying value at December 31, 2022	\$	<u>196,579</u>

The Group assessed or engaged independent valuation firms to help the management assess the fair value of certain investments as of December 31, 2021 and 2022, using Level 3 of fair value measurement and concluded that impairment was warranted for those investments at the year-end. Thus, the Group recognized US\$106.8 million and US\$63.5 million impairment charges to investments without readily determinable fair value for the years ended December 31, 2021 and 2022, respectively. The impairment charges mainly included a full impairment of US\$75.3 million on the investment in Yixia Tech in 2021, as well as a US\$15.4 million write-off in a community software and a US\$14.2 million impairment charge to a company running a business social platform in 2022, due to their unsatisfied financial performance with no obvious upturn or potential financing solutions in the foreseeable future.

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Investments in marketable equity securities are valued using the market approach based on the quoted prices in active markets at the reporting dates. The Group classified the valuation techniques that use these inputs as Level 1 of fair value measurements. The Group recorded a fair value change gain of US\$1.0 million in 2021 and a loss of US\$142.7 million in 2022 for INMYSHOW Digital Technology (Group) Co., Ltd., (“INMYSHOW”, formerly known as Beijing Showworld Technology Co., Ltd.), a Shanghai Stock Exchange listed company, providing social and new media marketing services. One of the Group’s investees, Didi Global Inc. (“Didi”), a company operating a mobility technology platform, completed its initial public offering and started trading on July 1, 2021, China time. Therefore, investment in Didi amounting to US\$142.0 million was transferred from measurement alternative to equity securities with readily determinable fair value, and a fair value change gain of US\$7.1 million and a loss of US\$53.9 million was recorded in 2021 and 2022, respectively. Didi has officially delisted from NYSE in June 2022 and instead to trade under the “DIDIY” ticker on the OTC exchange. The Group continues to record the investment in Didi under equity securities with readily determinable fair values.

The following table shows the carrying amount and fair value of the marketable securities:

	Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In US\$ thousands)			
INMYSHOW	\$ 81,385	\$ 205,659	\$ —	\$ 287,044
Didi	142,000	7,108	—	149,108
December 31, 2021	\$ 223,385	\$ 212,767	\$ —	\$ 436,152
INMYSHOW	\$ 81,385	\$ 62,952	\$ —	\$ 144,337
Didi	142,000	—	(46,787)	95,213
December 31, 2022	\$ 223,385	\$ 62,952	\$ (46,787)	\$ 239,550

For the year ended December 31, 2022, equity method investments held by the Group in aggregate have met the significance criteria as defined under Rule 4-08(g) of Regulation S-X. The condensed financial information of the Group’s equity method investments are summarized as a group as follow:

	Year ended December 31,		
	2020	2021	2022
	(In US\$ thousands)		
Operating data:			
Revenue	\$ 114,938	\$ 225,356	\$ 158,110
Gross profit	\$ 102,145	\$ 206,457	\$ 129,393
Income (loss) from operations	\$ 26,679	\$ 243,516	\$ (195,636)
Net income (loss)	\$ 23,754	\$ 247,808	\$ (200,042)
Net income (loss) attributable to the investees	\$ 23,754	\$ 247,808	\$ (200,042)
As of December 31,			
	2021	2022	
	(In US\$ thousands)		
Balance sheet data:			
Current assets	\$ 884,765	\$ 904,956	
Non-current assets	\$ 2,341,307	\$ 2,417,452	
Current liabilities	\$ 602,275	\$ 683,626	
Long-term liabilities	\$ 9,789	\$ 119	

The Group recorded investment-related impairment and provision of US\$212.0 million, US\$106.8 million and US\$71.1 million for the years ended December 31, 2020, 2021 and 2022, respectively, due to various adverse factors affecting the performance of the investees. The impairment charges in 2020 included a partial impairment of US\$59.8 million on an investee in e-commerce business, a US\$39.3 million write-off on a game company, and US\$82.2 million impairment charge on loans to investees, as well as other impairments of US\$30.7 million. The impairment charges in 2021 was mainly caused by a full impairment of US\$75.3 million on the investment in Yixia Tech and the investment-related impairment in 2022 primarily resulted from a US\$15.4 million write-off in a community software and a US\$14.2 million impairment charge to a company running a business social platform.

5. Leases

The Group has operating leases primarily for land-use rights and office spaces in China. The determination of whether an arrangement is or contains a lease is made at inception by evaluating whether the arrangement conveys the right to use an identified asset and whether the Group obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. Operating lease assets and liabilities are included in operating lease right-of-use assets, operating lease liabilities, short-term, and operating lease liabilities, long-term on the Group's consolidated balance sheets. The Group has chosen to not recognize lease assets and lease liabilities for leases with a term of twelve months or less on the consolidated balance sheets.

Operating lease right-of-use assets and operating lease liabilities are recognized based on the present value of lease payments over the lease terms at the lease commencement dates. The Group uses its incremental borrowing rate in determining the present value of lease payments. The incremental borrowing rate is a hypothetical rate based on the Group's understanding of what interest the Group would pay in order to obtain a borrowing with an amount equivalent to the lease payments in a similar economic environment over the lease term on a collateralized basis from banks in China.

Certain lease agreements contain an option for the Group to renew a lease for a term agreed by the Group and the lessor or an option to terminate a lease earlier than the maturity dates. The Group considers these options, which may be elected at the Group's sole discretion, in determining the lease term on a lease-by-lease basis. The Group's lease agreements generally do not contain any residual value guarantees or material restrictive covenants. Certain of the Group's leases contain free or escalating rent payment terms. The Group's lease agreements generally contain lease and non-lease components. Non-lease components primarily include payments for maintenance and utilities. The Group has chosen to combine payments for non-lease components with lease payments and accounted them together as a single lease component. Payments under the lease arrangements are primarily fixed. However, for arrangements accounted for as a single lease component, there may be variability in future lease payments as the amount of the non-lease components is typically revised from one period to the next. Additionally, certain lease agreements with SINA contain variable payments, which are determined based on actual SINA headquarters spaces occupied by the Group and are expensed as incurred and not included in the operating lease assets and liabilities.

The components of lease cost for the years ended December 31, 2020, 2021 and 2022 were as follows:

	Year Ended December 31,		
	2020	2021	2022
	(In US\$ thousands)		
Operating lease cost	\$ 4,902	\$ 7,625	\$ 13,949
Short-term lease cost	3,167	4,776	2,631
Variable lease cost	4,479	5,287	5,348
Total lease cost	\$ 12,548	\$ 17,688	\$ 21,928

Other information related to leases was as follows:

	Year Ended December 31,		
	2020	2021	2022
	(In US\$ thousands)		
Supplemental Cash Flows Information:			
Cash paid for operating leases	\$ (5,522)	\$ (8,948)	\$ (12,877)
Operating lease assets obtained in exchange for operating lease liabilities	\$ 1,675	\$ 65,459	\$ 19,728

Maturities of lease liabilities under operating leases as of December 31, 2022 were as follows:

Year Ended December 31,	(In US\$ thousands)
2023	\$ 13,013
2024	13,476
2025	12,903
2026	11,912
2027	3,557
Thereafter	28,853
Total future payments for recognized leasing assets	83,714
Less: leases not yet commenced	—
Less: imputed interest	18,310
Total lease liabilities	\$ 65,404

The increase of operating lease assets obtained in exchange for operating lease liabilities in 2021 was mainly due to the renewal of lease agreements expired and several new lease agreements signed by the Group in 2021. As of December 31, 2022, operating leases recognized in lease liabilities have average remaining lease terms of 10.5 years and weighted-average discount rate of 5%. As of December 31, 2022, the Group had no lease contract that has been entered into but not yet commenced.

6. Goodwill, Intangible Assets and Acquisitions

On October 31, 2020, the Group entered into a series of share purchase agreements with then existing shareholders of Shanghai Jiamian Information Technology Co., Ltd. or JM Tech, which provides online interactive entertainment services, to acquire the majority of JM Tech's equity interest, with a total consideration of US\$218.6 million. The Group also entered into a contingent payment arrangement and a contingent allocation arrangement over the JM Tech's earnings with the founder and CEO of the company, both of which are subject to a service period through December 31, 2022 and certain performance conditions. The Group accounts for these arrangements as compensation expenses over the required service period when it is probable that the performance conditions will be met. The transaction is reflected in the Group's consolidated financial statements from November 1, 2020. (Refer to Note 17 for further information) An independent valuation firm was engaged by the Group to help the management determine the fair value of assets and liabilities obtained from the transaction. The identifiable intangible assets acquired on acquisition date included launched games and games in development stage of US\$124.2 million with estimated lives ranging from four to ten years. The intangible assets were measured at fair value upon acquisition primarily using valuation techniques under the income approach. Key assumptions and estimates used in determining the fair value of these intangible assets include cash flow forecasts, the revenue growth rates and the discount rate.

The consideration of the acquisition of JM Tech was allocated based on the fair value of the assets acquired and the liabilities assumed as follows:

	As of October 31, 2020 (In US\$ thousands)
Consideration	\$ 218,590
Redeemable non-controlling interest (Note 17)	55,192
Non-controlling interest	16,133
Total	\$ 289,915
Short-term investments acquired	\$ 155,205
Other assets acquired	26,087
Identifiable intangible assets acquired	124,196
Goodwill	30,075
Liabilities assumed	(45,648)
Total	\$ 289,915

JM Tech contributed US\$11.5 million of revenues and US\$7.2 million of net income to the Group in 2020. Since it did not have a material impact on the Group's consolidated financial statements, pro forma disclosures have not been presented.

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In the second quarter of 2021, the Group acquired another 51.2% equity interest of an investee operating a leading mobile photo and video application in China, Wuta application, in which the Group previously held 34.8% equity interest, with a cash consideration of US\$39.5 million. The Group obtained the control and held 86% equity interest in the investee upon completion of the transaction on May 1, 2021. An independent valuation firm was engaged by the Group to help the management determine the fair value of assets and liabilities obtained from the transaction. The identifiable intangible assets acquired on the acquisition date included user base, domain names and operating system of US\$16.5 million with estimated lives ranging from three to ten years. The intangible assets were measured at fair value upon acquisition primarily using the royalty savings method, multi-periods excess earning model and cost approach. Key assumptions and estimates used in determining the fair value of these intangible assets include cash flow forecasts, the revenue growth rates, the discount rate, the customer attrition rate and replacements costs.

The consideration of the acquisition of the company operating Wuta application was allocated based on the fair value of the assets acquired and the liabilities assumed as follows:

	As of May 1, 2021	
	(In US\$ thousands)	
Consideration	\$	39,540
Fair value of previously held equity interest		26,875
Non-controlling interest		10,811
Total	\$	<u>77,226</u>
Cash and short-term investments acquired	\$	5,786
Other assets acquired		6,801
Identifiable intangible assets acquired		16,495
Goodwill		51,034
Liabilities assumed		(2,890)
Total	\$	<u>77,226</u>

In August 2021, the Group acquired an E-sports team and the related assets. An independent valuation firm was engaged by the Group to help the management determine the fair value of assets and liabilities obtained from the transaction. The identifiable intangible assets acquired on acquisition date included game related assets of US\$19.3 million with estimated lives of ten years. The intangible assets were measured at fair value upon acquisition primarily using royalty savings method and multi-periods excess earning method. Key assumptions and estimates used in determining the fair value of these intangible assets include discount rate, terminal growth rate and royalty rate.

The consideration of the acquisition of the E-sports team and the related assets was allocated based on the fair value of the assets acquired and the liabilities assumed as follows:

	As of August 1, 2021	
	(In US\$ thousands)	
Consideration	\$	<u>30,953</u>
Identifiable intangible assets acquired	\$	19,274
Goodwill		14,745
Liabilities assumed		(3,066)
Total	\$	<u>30,953</u>

On December 23, 2022, Weibo Hong Kong Limited, the Company's wholly owned subsidiary, entered into certain agreement for the sale and purchase of 100% of the equity interest of Sina.com Technology (China) Co., Ltd., with SINA Hong Kong Limited, a wholly owned subsidiary of Sina Corporation, pursuant to which Weibo Hong Kong Limited agrees to purchase all equity interests in Sina.com Technology (China) Co., Ltd., a wholly-owned subsidiary of SINA Hong Kong Limited and the owner of SINA Plaza in Beijing, China, for an aggregate consideration of approximately US\$218.4 million (RMB1.5 billion). The acquisition date was December 31, 2022 and the Group settled the payment for the consideration in the first quarter of 2023.

The Group involved an independent appraiser to assess the fair value of assets acquired and liabilities assumed from the transaction. As more than 90% of the fair value of the gross assets acquired by the Group is concentrated in the office building, SINA Plaza, and the land-use right related to the building, the acquisition is considered an asset acquisition. Furthermore, as the Group and SINA Hong Kong Limited are under the common control of SINA, the transaction is considered an asset acquisition under common control. According to ASC 805-50, for a transfer of assets between entities under common control, the acquirer entity shall initially measure the assets and liabilities transferred at their carrying values in the accounts of the transferring entity. Therefore, the carrying values of assets of US\$340.5 million and liabilities of US\$281.1 million of STC was recorded in the Group's consolidated balance sheets, and the difference between consideration paid by the Group and net assets (carrying value) of STC of US\$159.0 million was recognized in additional paid-in capital as a distribution on the acquisition date. The assets recognized in the consolidated balance sheets mainly included office building and related facilities of US\$170.6 million and land use right (recorded in operating lease assets) of US\$125.8 million.

The two acquisitions completed in 2021 individually contributed immaterial amounts to revenues and net income for 2021. Since they did not have a material impact on the Group's consolidated financial statements, pro forma disclosures have not been presented. Apart from what have been disclosed above, there was no other acquisitions during the years ended December 31, 2020, 2021 and 2022, respectively.

The following sets forth the changes in the Group's goodwill by segment:

	Advertising & Marketing	Value-added services (In US\$ thousands)	Total
Balance as of December 31, 2019	\$ 28,989	\$ —	\$ 28,989
Acquisition of JM Tech	—	30,075	30,075
Currency translation adjustment	1,910	738	2,648
Balance as of December 31, 2020	30,899	30,813	61,712
Acquisition of the company operating Wuta application	51,034	—	51,034
Acquisition of an E-sports team	—	14,745	14,745
Currency translation adjustment	1,813	1,101	2,914
Balance as of December 31, 2021	83,746	46,659	130,405
Currency translation adjustment	(6,585)	(3,669)	(10,254)
Balance as of December 31, 2022	<u>\$ 77,161</u>	<u>\$ 42,990</u>	<u>\$ 120,151</u>

The Group performs at least annually a qualitative analysis on the goodwill arising from acquisitions taking into consideration the events and circumstances listed in ASC350 Intangibles — Goodwill and Other, including consideration of macroeconomic factors, industry and market conditions, share price of the Group, and overall financial performance, in addition to other entity-specific factors. For the years ended December 31, 2020, 2021 and 2022, no impairment indicator was noted by performing qualitative analysis, therefore, no provision was recorded. For the year ended December 31, 2022, the Group recognized an impairment charge of US\$10.2 million for the intangible assets arising from certain acquisitions due to no more sustainable future revenues expected for the certain business.

The following table summarizes the Group's intangible assets arising from acquisitions:

	As of December 31, 2021			As of December 31, 2022		
	Cost	Accumulated Amortization (In US\$ thousands)	Net	Cost	Accumulated Amortization (In US\$ thousands)	Net
Game related	\$ 150,371	\$ (16,649)	\$ 133,722	\$ 140,328	\$ (30,029)	\$ 110,299
Technology	10,172	(5,494)	4,678	2,808	(2,596)	212
Trademark and Domain name	20,078	(4,458)	15,620	12,892	(4,280)	8,612
Supplier-relationship	10,538	(6,961)	3,577	—	—	—
Others	13,924	(4,591)	9,333	13,045	(7,096)	5,949
Total	<u>\$ 205,083</u>	<u>\$ (38,153)</u>	<u>\$ 166,930</u>	<u>\$ 169,073</u>	<u>\$ (44,001)</u>	<u>\$ 125,072</u>

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The amortization expense for the years ended December 31, 2020, 2021 and 2022 was US\$5.7 million, US\$22.2 million and US\$21.5 million, respectively. As of December 31, 2022, estimated amortization expenses for future periods are expected as follows:

<u>Year Ended December 31,</u>	<u>(In US\$ thousands)</u>
2023	\$ 19,026
2024	18,914
2025	15,049
2026	15,137
2027	14,852
Thereafter	41,878
Total expected amortization expense *	<u>\$ 124,856</u>

* The table above excludes US\$0.2 million of indefinite-lived intangible assets which was included in the category of others.

7. Stock-Based Compensation

In March 2014, the Company adopted the 2014 Share Incentive Plan (the “2014 Plan”), which included the remaining 4.6 million shares from the terminated 2010 Share Incentive Plan, plus an additional 1.0 million shares. On January 1, 2015, shares in the 2014 Plan, which has a term life of ten years, were allowed a one-time increase in the amount equal to 10% of the total number of Weibo shares issued and outstanding on a fully-diluted basis as of December 31, 2014. Each share in the 2014 Plan pool allows for a grant of a restricted share unit or option share. The Company intends to use such share incentive plan to attract and retain employee talents. Stock-based compensation related to the grants is amortized generally over four years on a straight-line basis (generally one year for performance-based restricted shares).

The following table sets forth the stock-based compensation included in each of the relevant accounts:

	<u>Year Ended December 31,</u>		
	<u>2020</u>	<u>2021*</u>	<u>2022*</u>
	<u>(In US\$ thousands)</u>		
Cost of revenues	\$ 5,384	\$ 8,112	\$ 9,417
Sales and marketing	9,983	15,292	18,910
Product development	33,093	43,622	55,294
General and administrative	18,645	20,970	28,092
	<u>\$ 67,105</u>	<u>\$ 87,996</u>	<u>\$ 111,713</u>

* Excluded non-cash stock-based compensation of US\$7.9 million and US\$9.3 million to SINA employees charged through Amount due from SINA in 2021 and 2022, respectively.

The following table sets forth a summary of the number of shares available for issuance:

	Shares Available (In thousands)
December 31, 2019	15,104
Addition	—
Granted*	(3,040)
Cancelled/expired/forfeited	431
December 31, 2020	12,495
Addition	—
Granted*	(5,752)
Cancelled/expired/forfeited	692
December 31, 2021	7,435
Addition	—
Granted*	(4,642)
Cancelled/expired/forfeited	770
December 31, 2022	3,563

For the years ended December 31, 2020, 2021 and 2022, 2.5 million, 5.8 million and 1.8 million restricted share units were granted under the 2014 Plan, respectively. Options of 0.5 million, nil and 2.8 million were granted during 2020, 2021 and 2022, respectively.

Stock Options

The following table sets forth a summary of option activities under the Company's stock option program:

	Options Outstanding (In thousands)	Weighted Average Exercise Price (In US\$)	Weighted Average Remaining Contractual Life (In years)	Aggregate Intrinsic Value (In US\$ thousands)
December 31, 2019	89	\$ 3.49	0.7	\$ 3,799
Granted	482	\$ 32.68		
Exercised	(16)	\$ 3.47		
Cancelled/expired/forfeited	(4)	\$ 30.96		
December 31, 2020	551	\$ 28.85	5.8	\$ 6,683
Granted	—	\$ —		
Exercised	(105)	\$ 12.70		
Cancelled/expired/forfeited	(59)	\$ 32.68		
December 31, 2021	387	\$ 32.68	5.6	—
Granted	2,750	\$ 21.15		
Exercised	—	\$ —		
Cancelled/expired/forfeited	(118)	\$ 24.12		
December 31, 2022	3,019	\$ 22.51	6.0	—
Vested and expected to vest as of December 31, 2021	351	\$ 32.68	5.6	—
Exercisable as of December 31, 2021	82	\$ 32.68	5.6	—
Vested and expected to vest as of December 31, 2022	2,752	\$ 22.54	6.0	—
Exercisable as of December 31, 2022	172	\$ 32.68	4.6	—

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The total intrinsic value of options exercised for the years ended December 31, 2020, 2021 and 2022 was US\$0.5 million, US\$4.0 million and nil, respectively. The intrinsic value is calculated as the difference between the market value on the date of exercise and the exercise price of the shares. As reported by the NASDAQ Global Selected Market, the Company's ending stock price as of December 31, 2021 and 2022 was US\$30.98 and US\$19.12, respectively. Cash received from the exercise of stock options during the years ended December 31, 2020, 2021 and 2022 was US\$0.1 million, US\$1.3 million and nil, respectively. As of December 31, 2021 and 2022, unrecognized compensation cost (adjusted for estimated forfeitures), related to non-vested stock options granted to the Company's employees and directors was US\$3.2 million and US\$20.5 million, respectively. As of December 31, 2022, total unrecognized compensation cost is expected to be recognized over a weighted-average period of 3.1 years and may be adjusted for future changes in estimated forfeitures.

Information regarding stock options outstanding is summarized below:

<u>Range of Exercise Prices</u>	<u>Options Outstanding</u> (In thousands)	<u>Weighted Average Exercise Price</u> (In US\$)	<u>Options Exercisable</u> (In thousands)	<u>Weighted Average Exercise Price</u> (In US\$)	<u>Weighted Average Remaining Contractual Life</u> (In years)
As of December 31, 2021					
US\$ 32.68	387	\$ 32.68	82	\$ 32.68	5.6
As of December 31, 2022					
US\$ 32.68	356	\$ 32.68	172	\$ 32.68	4.6
US\$ 21.15	2,663	\$ 21.15	—	\$ —	6.2
	<u>3,019</u>	\$ <u>22.51</u>	<u>172</u>	\$ <u>32.68</u>	<u>6.0</u>

Restricted Share Units

Summary of Performance-Based Restricted Share Units without Market Condition

The following table sets forth a summary of performance-based restricted share unit activities without market condition:

	<u>Shares Granted</u> (In thousands)	<u>Weighted-Average Grant Date Fair Value</u> (In US\$)
December 31, 2019	59	\$ 61.17
Awarded	46	\$ 36.49
Vested	(54)	\$ 60.16
Cancelled	(34)	\$ 36.49
December 31, 2020	17	\$ 36.49
Awarded	15	\$ 54.08
Vested	(2)	\$ 38.78
Cancelled	(19)	\$ 40.63
December 31, 2021	11	\$ 54.17
Awarded	—	\$ —
Vested	(9)	\$ 54.17
Cancelled	(2)	\$ 54.17
December 31, 2022	<u>—</u>	<u>\$ —</u>

As of December 31, 2021 and 2022, there was no material unrecognized compensation cost (adjusted for estimated forfeitures), related to performance-based restricted share units without market condition granted to the Company's employees, respectively.

Summary of Performance-Based Restricted Share Units with Market Condition

The following table sets forth a summary of performance-based restricted share unit activities with market condition:

	<u>Shares Granted</u> (In thousands)	<u>Weighted-Average Grant Date Fair Value</u> (In US\$)
December 31, 2021	—	\$ —
Awarded	1,640	\$ 8.43
Vested	—	\$ —
Cancelled	—	\$ —
December 31, 2022	<u>1,640</u>	<u>\$ 8.43</u>

As of December 31, 2022, unrecognized compensation cost (adjusted for estimated forfeitures) was US\$4.7 million, which was related to non-vested performance-based restricted share units with market condition granted to the Company's management. As of December 31, 2022, the cost is expected to be recognized over a weighted-average period of 0.4 years. No share was vested during the year ended December 31, 2022.

Summary of Service-Based Restricted Share Units

The following table sets forth a summary of service-based restricted share unit activities:

	<u>Shares Granted</u> (In thousands)	<u>Weighted- Average Grant Date Fair Value</u> (In US\$)
December 31, 2019	3,512	\$ 50.89
Awarded	2,512	\$ 33.50
Vested	(1,307)	\$ 49.12
Cancelled	(393)	\$ 44.96
December 31, 2020	4,324	\$ 41.86
Awarded	5,737	\$ 47.95
Vested	(1,608)	\$ 45.66
Cancelled	(614)	\$ 44.02
December 31, 2021	7,839	\$ 45.37
Awarded	252	\$ 20.59
Vested	(2,330)	\$ 47.09
Cancelled	(651)	\$ 42.69
December 31, 2022	<u>5,110</u>	<u>\$ 43.71</u>

As of December 31, 2021 and 2022, unrecognized compensation cost (adjusted for estimated forfeitures) was US\$275.7 million and US\$162.0 million, respectively, which was related to non-vested service-based restricted share units granted to the Company's employees and directors. As of December 31, 2022, this cost is expected to be recognized over a weighted-average period of 2.5 years. The total fair value based on the vesting date of the restricted share units vested was US\$64.2 million, US\$73.4 million and US\$109.7 million for the years ended December 31, 2020, 2021 and 2022, respectively.

8. Other Balance Sheets Components

	As of December 31,		
	2020	2021	2022
	(In US\$ thousands)		
Accounts receivable, net:			
Due from third parties	\$	620,632	\$ 416,125
Due from Alibaba		89,344	75,347
Due from other related parties		55,763	49,151
Total gross amount		765,739	540,623
Allowance for credit losses:			
Balance at the beginning of the year	\$	(36,594)	(42,650)
Additional provision charged to expenses, net		(53,124)	(4,440)
Write-off		54,562	12,208
Balance at the end of the year	\$	(35,156)	(38,180)
		\$ 723,089	\$ 502,443
Prepaid expenses and other current assets:			
Rental and other deposits	\$	1,949	\$ 1,583
Deductible value-added taxes		3,063	3,865
Investment prepayment		—	30,938
Proceeds receivable from disposal of investments		—	13,371
Loans to and interest receivable from other related parties ⁽¹⁾ (Note 10)		219,679	110,000
Loans to and interest receivable from third parties ⁽¹⁾		137,024	136,683
Advertising prepayment		12,011	9,126
Prepayment to outsourced service providers		3,776	3,479
Amounts deposited by users ⁽²⁾		53,997	52,216
Content fees		1,695	15,859
Others		17,532	14,382
		\$ 450,726	\$ 391,502
Property and equipment, net:			
Office building ⁽³⁾	\$	—	\$ 196,223
Office building related facilities ⁽³⁾		—	3,298
Computers and equipment		188,476	228,599
Leasehold improvements		7,331	13,064
Furniture and fixtures		2,554	8,139
Others		7,233	17,733
Property and equipment, gross		205,594	467,056
Accumulated depreciation		(137,198)	(217,503)
		\$ 68,396	\$ 249,553
Other non-current assets			
Investment-related deposits ⁽⁴⁾	\$	366,067	\$ 373,252
Loans to and interest receivable from related parties ⁽¹⁾ (Note 10)		480,786	454,912
Prepayment for purchase of SINA Plaza ⁽⁵⁾		133,734	—
Wealth management products, long-term ⁽⁶⁾		50,159	—
Deferred tax assets		40,537	39,989
Others		11,558	30,269
		\$ 1,082,841	\$ 898,422
Accrued and other liabilities⁽⁷⁾:			
Payroll and welfare	\$	170,534	\$ 156,274
Marketing expenses		82,471	74,093
Sales rebates		359,813	266,455
Professional fees		7,791	8,836
VAT and other tax payable		53,589	51,037
Amounts due to users ⁽²⁾		53,997	52,216
Payable to SINA for the acquisition of the equity of STC (Note 6)		—	218,402
Unpaid consideration for acquisitions		6,293	687
Unpaid consideration for investment		441	4,320
Proceeds received in advance from disposal of investment		—	14,496
Interest payable for convertible debt, unsecured senior notes and long-term loans		27,579	28,257
Listing expenses payable		9,347	933
Others		49,178	37,978
		\$ 821,033	\$ 913,984

- (1) Loans to related parties and third parties incurred for the years ended December 31, 2020, 2021 and 2022 were non-trade in nature.
- (2) Weibo wallet enables users to conduct interest-generation activities on Weibo, such as handing out “red envelopes” and coupons to users and purchase different types of products and services on Weibo, including those offered by the Group, such as marketing services and membership, and those offered by Weibo’s platform partners, such as e-commerce merchandises, financial products and virtual gifts. Amounts deposited by users primarily represent the receivable temporarily held in Weibo’s account on a third party online payment platform for Weibo wallet users. Amounts due to users represent the balances that are payable on demand to Weibo wallet users and therefore are reflected as current liability on the consolidated balance sheets.
- (3) The increase in balance in office building and office building related facilities was due to the acquisition of STC in December 2022.
- (4) Investment-related deposits primarily included a micro loan company amounted to US\$77.9 million and US\$71.8 million as of December 31, 2021 and 2022, respectively, as well as a game company amounted to US\$269.1 million and US\$249.4 million in December 31, 2021 and 2022, respectively. These non-current assets will be transferred to long-term investment when the legal procedures are completed.
- (5) Weibo entered into a letter of intent to purchase the office building (SINA Plaza) from SINA and made a prepayment. As of December 31, 2021, the balance of prepayment for SINA Plaza was US\$133.7 million. Weibo made another prepayment of US\$153.6 million in 2022. The Group and SINA terminated the letter of intent after the Company’s subsidiary, Weibo Hong Kong, purchased the 100% equity of STC, the owner of SINA Plaza. The prepayment balance was eliminated as the Group consolidated the financial statements of STC on December 31, 2022.
- (6) The Group measures wealth management products at fair value. It engaged an independent valuation firm to help the management to determine the fair value of certain wealth management products which were overdue in 2021. US\$59.3 million loss for those products was recognized in fair value changes through earnings on investments, net, on the consolidated statements of comprehensive income in 2021. The remaining fair value of those products amounting to US\$50.2 million was recorded in other non-current assets as of December 31, 2021 and was fully impaired in the year ended December 31, 2022.
- (7) Include amounts due to third parties, employees, related parties (Note 10) and Weibo wallet users.

9. Income Taxes

The Company is registered in the Cayman Islands and mainly operates in two taxable jurisdictions—the PRC and Hong Kong.

The Group’s income before income taxes is as follows:

	Year Ended December 31,		
	2020	2021	2022
	(In US\$ thousands, except percentage)		
Loss from non-China operations	\$ (57,031)	\$ (232,830)	\$ (422,860)
Income from China operations	432,944	783,548	550,946
Total income before income tax expenses	<u>\$ 375,913</u>	<u>\$ 550,718</u>	<u>\$ 128,086</u>
Income tax expense (benefits) applicable to non-China operations	\$ 2,852	\$ 1,355	\$ (14,176)
Income tax expense applicable to China operations	58,464	137,486	44,453
Total income tax expenses	<u>\$ 61,316</u>	<u>\$ 138,841</u>	<u>\$ 30,277</u>
Effective tax rate for China operations	13.5 %	17.5 %	8.1 %
Effective tax rate for the Group	16.3 %	25.2 %	23.6 %

The Group generated the majority of its operating income from PRC operations and has recorded income tax provision for the periods presented. The Group's loss from non-China operations primarily included stock-based compensation, fair value changes through earnings on investments, investment-related impairment and interest expenses recorded by the Group's non-China entities. The substantial majority of these items were recognized by the Group's non-China entities in the Cayman Islands. The Group's non-China operations have reversed US\$14.2 million deferred tax charges which were previously recognized from fair value change of investments in 2022.

Cayman Islands

Under the current tax laws of the Cayman Islands, the Company is not subject to tax on income or capital gain. In addition, upon payments of dividends by the Company to its shareholders, no Cayman Islands withholding tax is required.

Hong Kong

Weibo HK is subject to 16.5% Hong Kong profit tax on its taxable income generated from operations in Hong Kong. Commencing from the year of assessment 2018/2019, the first HK\$2 million of profits earned by entities incorporated in Hong Kong will be taxed at half the current tax rate (i.e., 8.25%) while the remaining profits will continue to be taxed at the existing 16.5% tax rate. Hong Kong does not impose a withholding tax on dividends. As of December 31, 2020 and 2021, the Company's Hong Kong subsidiary had a net operating loss of US\$10.4 million and US\$0.8 million, which can be carried forward indefinitely to offset future taxable income. For the year ended December 31, 2022, Weibo HK earned a profit and utilized the net operating loss carried forward from previous years.

China

Effective January 1, 2008, the Enterprise Income Tax Law (the "EIT Law") in China unifies the enterprise income tax rate for the entities incorporated in China at 25%, unless they are eligible for preferential tax treatment. Preferential tax treatments will be granted to companies conducting businesses in certain encouraged sectors and to entities qualified as "software enterprise", "key software enterprise" ("KSE") and/or "high and new technology enterprise" ("HNTE"). Weibo Technology, the Group's WFOE, was qualified as a "software enterprise" in 2020, it will not enjoy a reduced tax rate for its "software enterprise" status as it has been five years since its first profitable year of 2015 and it has already benefited from the preferential tax treatment of "software enterprise" status from 2015 to 2019. Weibo Technology was also granted the HNTE status for the fiscal years from 2017 to 2022, which entitled the qualified entity a preferential tax rate of 15% in 2020, 2021 and 2022. Its qualification as a HNTE is subject to self-evaluation, and the relevant documents should be retained for future examination purpose. Upon the expiration of qualification, re-accreditation of certification from the relevant authorities is necessary for Weibo Technology to continue enjoying the preferential tax treatment. In addition, certain of the Group's other PRC entities are also qualified as a "software enterprise", and/or HNTE, and currently enjoy the respective preferential tax treatments.

According to the relevant laws and regulations in the PRC, enterprises engaging in research and development activities were entitled to claim 150% of their research and development expenses incurred as tax deductible expenses when determining their assessable profits for that year (the "R&D Deduction"). The State Taxation Administration of the PRC ("STA") announced in September 2018 that enterprises engaging in research and development activities would be entitled to claim 175% of their research and development expenses as R&D Deduction from January 1, 2018 to December 31, 2020. The deadline for enjoying this preferential R&D deduction policy was extended to December 31, 2023 as announced in March 2021 by STA.

The EIT Law also provides that an enterprise established under the laws of a foreign country or region but whose "de facto management body" is located in the PRC be treated as a resident enterprise for PRC tax purposes and consequently be subject to the PRC income tax at the rate of 25% for its global income. The Implementing Rules of the EIT Law merely define the location of the "de facto management body" as "the place where the exercising, in substance, of the overall management and control of the production and business operation, personnel, accounting, properties, etc., of a non-PRC company is located." Based on a review of surrounding facts and circumstances, the Group does not believe that it is likely that its operations outside of the PRC be considered a resident enterprise for PRC tax purposes. However, due to limited guidance and implementation history of the EIT Law, should Weibo be treated as a resident enterprise for PRC tax purposes, the Company will be subject to PRC tax on worldwide income at a uniform tax rate of 25%.

The EIT Law also imposes a withholding income tax rate of 10% on dividends distributed by a WFOE to its immediate holding company outside of China, if such immediate holding company is considered as a non-resident enterprise without any establishment or place within China or if the received dividends have no connection with the establishment or place of such immediate holding company within China, unless such immediate holding company's jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. The Cayman Islands, where the Company incorporated, does not have such tax treaty with China. According to the arrangement between Mainland China and Hong Kong Special Administrative Region on the Avoidance of Double Taxation and Prevention of Fiscal Evasion in August 2006 and subsequent amendments, dividends paid by a WFOE in China to its immediate holding company in Hong Kong will be subject to withholding tax at a rate of no more than 5% (if the foreign investor owns directly at least 25% of the shares of the WFOE).

The operations of the Group's WFOE in China are invested and held by Weibo HK. If the Company is regarded as a PRC non-resident enterprise and Weibo HK is regarded as a PRC resident enterprise, Weibo HK may be required to pay a 10% withholding tax on any dividends payable to the Company and the dividends distributed from Weibo Technology to Weibo HK is not subject to dividend withholding tax. Furthermore, Weibo HK would be subject to PRC enterprise income tax at a rate of 25%. If the Company and Weibo HK are regarded as a PRC non-resident enterprise, Weibo Technology may be required to pay a 5% withholding tax for any dividends payable to Weibo HK. The current policy approved by the Company's board of directors allows the Group to distribute PRC earnings offshore only if the Group does not have to pay a dividend tax. As of December 31, 2022, the Group had a total undistributed PRC earnings of RMB 22.4 billion, which are expected to be indefinitely reinvested in the Group's business for the foreseeable future. The Group did not record any withholding tax for its PRC earnings and considered determination of such withholding tax amount not practicable.

Composition of income tax expenses

The following table sets forth current and deferred portion of income tax expenses of the Group:

	Year Ended December 31,		
	2020	2021 (In US\$ thousands)	2022
Current income tax expenses	\$ 77,043	\$ 151,319	\$ 55,098
Deferred tax benefits	(15,727)	(12,478)	(24,821)
Income tax expenses	<u>\$ 61,316</u>	<u>\$ 138,841</u>	<u>\$ 30,277</u>

Reconciliation of the statutory tax rate to the effective tax rate

The following table sets forth reconciliation between the PRC statutory EIT rate of 25% and the effective tax rate for the Group:

	Year Ended December 31,		
	2020	2021	2022
PRC Statutory EIT rate ⁽¹⁾	25.0 %	25.0 %	25.0 %
Effect on tax holiday and preferential tax treatment	(24.1)%	(13.1)%	(29.7)%
Research and development super-deduction	(3.5)%	(7.5)%	(21.1)%
Non-deductible expenses and non-taxable income and others ⁽²⁾	(0.6)%	9.2 %	(30.1)%
Change in valuation allowance	14.9 %	0.7 %	8.2 %
Tax rate difference from statutory rate in other jurisdictions	4.6 %	10.9 %	71.3 %
Effective tax rate for the Group	<u>16.3 %</u>	<u>25.2 %</u>	<u>23.6 %</u>

(1) The PRC statutory income tax rate is used for the reconciliation as the majority of the Group's operations are based in the PRC.

(2) Included the impact of uncertain tax positions recognized in 2021 and the reversal of uncertain tax positions in 2022.

The provision for income taxes for China operations for the years ended December 31, 2020, 2021 and 2022 differs from the amounts computed by applying the statutory EIT rate primarily due to the preferential tax treatments described above enjoyed by the WFOE, Weibo Technology, during the periods presented. Weibo Technology enjoyed a tax reduction of US\$55.1 million, US\$55.1 million and US\$26.9 million for the HNTE status in 2020, 2021 and 2022. The WFOE further recognized preferential tax treatment of “key software enterprise” status and tax benefit of research and development super deduction of US\$26.6 million for 2019 in 2020. It also recognized tax benefit of research and development super deduction of US\$41.4 million and US\$26.9 million in 2021 and 2022. The preferential tax treatment of “Key software enterprise” status lapsed in 2021. The Group did not recognize these tax benefits in the corresponding year as they were uncertain, and only recorded them on a lag basis when the tax benefits become more-likely-than-not to be sustained in the next year. If the Group assessed that the benefits were more-likely-than-not to be sustained in the corresponding year, they would accordingly recognize the tax benefits. The preferential tax treatments benefited by the Group during the three-year period ended December 31, 2022 amounting to US\$90.3 million, US\$72.3 million and US\$37.9 million, resulted in an effect of US\$0.40, US\$0.32 and US\$0.16 on basic net income per share in 2020, 2021 and 2022, respectively.

Deferred tax assets and liabilities

The following table sets forth the significant components of deferred tax assets and liabilities for the Group:

	As of December 31,	
	2021	2022
	(In US\$ thousands)	
Deferred tax assets:		
Net operating loss carry forwards	\$ 7,875	\$ 18,289
Valuation allowance	(7,875)	(18,289)
Investment-related impairment	51,226	52,363
Depreciation, accounts receivable, accrued and other liabilities	75,527	73,557
Valuation allowance	(86,216)	(85,931)
Net deferred tax assets	\$ 40,537	\$ 39,989
Deferred tax liabilities:		
Acquired intangible assets	\$ 36,471	\$ 27,435
Depreciation	1,662	1,731
Unrealized investment-related gain	28,454	12,414
Others	316	114
Total deferred tax liabilities	\$ 66,903	\$ 41,694

Valuation allowance is provided against deferred tax assets when the Group determines that it is more likely than not that the deferred tax assets will not be utilized in the future. In making such determination, the Group considered factors including (i) future reversals of existing taxable temporary differences; (ii) future taxable income exclusive of reversing temporary differences and carry forwards; and (iii) tax planning strategies. The valuation allowance on deferred tax assets as of December 31, 2021 and 2022 was US\$94.1 million and US\$104.2 million, respectively. The valuation allowance primarily consists of credit loss allowances and investment impairment charges. Historically, deferred tax assets were valued using the tax rate applicable to each entity for China operations. Net operating loss carry forwards for China operations as of December 31, 2022 will expire, if unused, in the years ending December 31, 2023 through December 31, 2027.

Uncertain tax position

Except for the lag recognition of preferential tax treatment of research and development super deduction and stock based related deduction, the Group did not record any liability or decrease in deferred tax asset related to uncertain tax positions as of December 31, 2021 and 2022, and thus, no interest and penalties related to uncertain tax positions were recorded.

For the year ended December 31, 2021, based on interactions with the tax authorities, the Group received additional guidance regarding certain areas with heightened requirements, and updated its estimate of related tax benefit amount that is expected to be sustained upon settlement with tax authorities. Additional US\$27.9 million tax liability related to the uncertain tax positions was recognized for 2021, which is based on the updated estimate of the largest amount of tax benefit that is greater than 50% likely to be realized upon settlement with the tax authorities. For the year ended December 31, 2022, the Group reversed US\$21.4 million tax liability related to the uncertain tax positions based on further interactions with the tax authorities.

In general, the PRC tax authorities have up to five years to review a company's tax filings. Accordingly, tax filings of the Company's PRC subsidiaries and VIEs for tax years 2018 through 2022 remain subject to the review by the relevant PRC tax authorities.

10. Related Party Transactions

The following sets forth significant related parties and their relationships with the Company:

Company Name	Relationship with the Company
SINA	Parent and affiliates under common control.
Alibaba	Strategic partner and significant shareholder of the Company.

During the years ended December 31, 2020, 2021 and 2022, the Group entered in to a series of one-year loan agreements with SINA pursuant to which SINA is entitled to borrow from the Group to facilitate SINA's business operations. SINA has withdrawn a total of US\$473.8 million, US\$978.2 million and US\$1,261.9 million from the Group and repaid US\$181.7 million, US\$1,058.6 million and US\$1,249.5 million to the Group during the years ended December 31, 2020, 2021 and 2022, respectively. As of December 31, 2021 and 2022, the loans to and interest receivable from SINA were US\$479.6 million and US\$420.4 million, respectively.

The following sets forth significant related party transactions with the Group:

	Year Ended December 31,		
	2020	2021	2022
	(In US\$ thousands)		
<u>Transactions with SINA</u>			
Revenue billed through SINA	\$ 41,754	\$ 68,351	\$ 44,962
Revenue from services provided to SINA	20,348	43,170	31,984
Total	<u>\$ 62,102</u>	<u>\$ 111,521</u>	<u>\$ 76,946</u>
Costs and expenses allocated from SINA ⁽¹⁾	\$ 43,011	\$ 38,270	\$ 47,178
Interest income on loans to SINA	\$ 13,458	\$ 17,943	\$ 14,770
<u>Transactions with Alibaba</u>			
Advertising and marketing revenues from Alibaba – as an advertiser	\$ 152,000	\$ 139,561	\$ 106,974
Advertising and marketing revenues from Alibaba – as an agent	\$ 36,597	\$ 41,680	\$ 223
Services provided by Alibaba	\$ 52,338	\$ 44,006	\$ 33,745

(1) Costs and expenses allocated from SINA represented the charges for certain services provided by SINA or SINA's affiliates and charged to the Group using actual cost allocation based on proportional utilization (Note 1). In addition to the allocated costs and expenses, SINA also billed US\$48.3 million, US \$48.0 million and US\$37.7 million for other costs and expenses incurred by Weibo but paid by SINA for the years ended December 31, 2020, 2021 and 2022, respectively. During the years ended December 31, 2021 and 2022, Weibo allocated US\$0.8 million and US\$0.6 million to SINA for costs and expenses related to certain of SINA's activities for which Weibo made the payments, respectively.

The following table sets forth the details of the revenues from SINA by advertising and marketing revenues and value-added services revenues for the periods specified.

	Year Ended December 31,		
	2020	2021	2022
	(In US\$ thousands)		
<u>Transactions with SINA</u>			
Advertising and marketing revenues	\$ 48,353	\$ 96,359	\$ 56,206
Value-added services revenues	13,749	15,162	20,740
Total	<u>\$ 62,102</u>	<u>\$ 111,521</u>	<u>\$ 76,946</u>

The following sets forth related party outstanding balance:

	As of December 31,	
	2021	2022
	(In US\$ thousands)	
Amount due from SINA ⁽²⁾	\$ 494,200	\$ 487,117
Payable to SINA for the acquisition of the equity of STC (Note 6)	—	218,402
Accounts receivable due from Alibaba	\$ 89,344	\$ 75,347
Loans to and interest receivable from other related parties^{(3) (4)}		
-Company A (an investee providing social and new media marketing services)	2,789	—
-Company B (an investee providing online brokerage services)	211,583	110,000
-Others	5,307	—
Subtotal (included in prepaid expenses and other current assets)	219,679	110,000
-Company C (an investee in real estate business)	480,786	454,912
Subtotal (included in other non-current assets)	480,786	454,912
Total	\$ 700,465	\$ 564,912

- (2) The Group uses amount due from/to SINA to settle balances arising from costs and expenses allocated from SINA based on proportional utilization, other expenditures incurred by Weibo business but paid by SINA, transactions with third-party customers and suppliers settled through SINA, as well as business transactions between Weibo and SINA. As of December 31, 2021 and 2022, the amount due from SINA also included loans to and interest receivable from SINA of US\$479.6 million and US\$420.4 million at an annual interest rate ranging from 1.0% to 4.5% of maturity within one year, respectively, which are non-trade in nature.
- (3) The annual interest rates of the loans were ranging from 4.0% to 5.5% (interest free for Company A and partial loans to Company C) at both dates. These balances are non-trade in nature. The contractual terms of the loans are within one year while subject to extension and the Group will determine the liquidity (current versus non-current) of the loans pursuant to the expected cash collection. In 2022, several loans were extended and the Group accounted for such extension as loan modification.
- (4) The Group estimates the allowance for credit losses on loans and interest receivables not sharing similar risk characteristic on an individual basis. The key factors considered when determining the above allowances for credit losses include the estimated loan collection schedule, discount rate, and assets and financial performance of the borrowers. For the years ended December 31, 2021 and 2022, the Group recognized nil and US\$7.6 million credit losses on loans to and interest receivable from other related parties based on the expected collection schedule of these loans.

Other related parties mainly include investee companies on which SINA or Weibo has significant influence. These investees are generally high-tech companies operating in different internet-related business. For the years ended December 31, 2020, 2021 and 2022, the Group recognized US\$46.5 million, US\$70.0 million and US\$40.5 million of advertising and marketing revenues, US\$3.4 million, US\$3.3 million and US\$8.1 million of value-added services revenues, and US\$48.1 million, US\$62.6 million and US\$32.3 million of costs and expenses from other related parties, respectively. As of December 31, 2021 and 2022, other related parties accounted for outstanding balances of net accounts receivable of US\$55.8 million and US\$48.6 million, accounts payable of US\$44.3 million and US\$21.7 million, and accrued and other liabilities of US\$8.3 million and US\$6.6 million, respectively.

11. Employee Benefit Plans

China Contribution Plan

The Company's subsidiaries, VIEs and VIEs' subsidiaries in China participate in a government-mandated, multi-employer, defined contribution plan, pursuant to which certain retirement, medical, housing and other welfare benefits are provided to employees. Chinese labor laws require the entities incorporated in China to pay to the local labor and welfare authorities a monthly contribution at a stated contribution rate based on the monthly basic compensation of qualified employees. The local labor bureau is responsible for meeting all retirement benefit obligations. The Group has no further commitments beyond its monthly contribution. For the years ended December 31, 2020, 2021 and 2022, the Group's total contribution was US\$51.1 million, US\$83.2 million and US\$91.2 million, respectively.

12. Net Income per Share

Basic net income per share is computed using the weighted average number of the ordinary shares outstanding during the period. Options and RSUs are not considered outstanding in the computation of basic earnings per share (“EPS”). Diluted EPS is computed using the weighted average number of ordinary shares and potential ordinary shares outstanding during the period under the treasury stock method. For the years ended December 31, 2020, 2021 and 2022, options to purchase ordinary shares and RSUs of 0.7 million, 1.4 million and 1.2 million were recognized as dilutive factors and included in the calculation of diluted net income per share, respectively. For the years ended December 31, 2020, 2021 and 2022, options and RSUs which were anti-dilutive and excluded from the calculation of diluted net income per share were 0.9 million, 0.4 million and 6.5 million, respectively. For the years ended December 31, 2020, 2021 and 2022, 6.8 million, 6.8 million and 5.9 million shares convertible from the convertible debt were anti-dilutive and excluded from the calculation of diluted net income per share, respectively.

The following table sets forth the computation of basic and diluted net income per share for the periods presented:

	Year Ended December 31,		
	2020	2021	2022
(In US\$ thousands, except share data and per share data)			
Basic net income per share calculation:			
Numerator:			
Net income attributable to Weibo’s shareholders	\$ 313,364	\$ 428,319	\$ 85,555
Denominator:			
Weighted average ordinary shares outstanding	226,921	228,814	235,164
Basic net income per share attributable to Weibo’s shareholders	<u>\$ 1.38</u>	<u>\$ 1.87</u>	<u>\$ 0.36</u>
Diluted net income per share calculation:			
Numerator:			
Net income attributable to Weibo’s shareholders for calculating diluted net income per share	\$ 313,364	\$ 428,319	\$ 85,555
Denominator:			
Weighted average ordinary shares outstanding	226,921	228,814	235,164
Effects of dilutive securities			
Stock options	71	68	—
Unvested restricted share units	645	1,324	1,243
Shares used in computing diluted net income per share attributable to Weibo’s shareholders	<u>227,637</u>	<u>230,206</u>	<u>236,407</u>
Diluted net income per share attributable to Weibo’s shareholders	<u>\$ 1.38</u>	<u>\$ 1.86</u>	<u>\$ 0.36</u>

13. Profit Appropriation and Restricted Net Assets

The Company’s subsidiaries, VIEs and VIEs’ subsidiaries in China are required to make appropriations to certain non-distributable reserve funds, in accordance with the China Company Laws. They have to make appropriations from their after-tax profit (as determined under Generally Accepted Accounting Principles in the PRC (“PRC GAAP”)) to non-distributable reserve funds including (i) statutory surplus fund, and (ii) discretionary surplus fund. Statutory surplus fund is at least 10% of the after-tax profits calculated in accordance with the PRC GAAP. Appropriation is not required if the reserve fund has reached 50% of the registered capital of the respective company.

Statutory surplus fund is restricted for set off against losses, expansion of production and operation or increase in registered capital of the respective companies. These reserves are not transferable to the Company in the form of cash dividends, loans or advances. These reserves are therefore not available for distribution except in liquidation.

As of December 31, 2021 and 2022 the Group’s PRC subsidiaries accrued approximately US\$139.6 million and US\$133.6 million in the general reserve/statutory surplus funds, respectively.

Under the PRC laws and regulations, the subsidiaries, VIEs and VIEs' subsidiaries incorporated in the PRC are restricted in their ability to transfer a portion of their net assets to the Group either in the form of dividends, loans or advances of the consolidated net assets. Even though the Group currently does not require any such dividends, loans or advances from the PRC subsidiaries, VIEs and VIEs' subsidiaries for working capital and other funding purposes, the Group may in the future require additional cash resources from the PRC subsidiaries, VIEs and VIEs' subsidiaries due to changes in business conditions, to fund future acquisitions and development, or merely declare and pay dividends to or distribution to its shareholders. The amounts restricted for the Group amounted to US\$566.9 million, or 16.7% of the Group's total consolidated net assets as of December 31, 2022.

14. Fair Value Measurement

The following table summarizes, for assets measured at fair value on a recurring basis, the respective fair value and the classification by level of input within the fair value hierarchy as of December 31, 2021 and 2022:

	Fair Value Measurements			
	Total	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	(In US\$ thousands)			
As of December 31, 2021:				
Wealth management products, short-term ⁽¹⁾	\$ 107,224	\$ —	\$ 107,224	\$ —
Wealth management products, long-term ⁽²⁾	50,159	—	—	50,159
Equity securities with readily determinable market value ⁽³⁾	436,152	436,152	—	—
Total	\$ 593,535	\$ 436,152	\$ 107,224	\$ 50,159
As of December 31, 2022:				
Wealth management products, short-term ⁽¹⁾	\$ 212,195	\$ —	\$ 212,195	\$ —
Equity securities with readily determinable market value ⁽³⁾	239,550	239,550	—	—
Total	\$ 451,745	\$ 239,550	\$ 212,195	\$ —

(1) Included in short-term investments on the Group's consolidated balance sheets.

(2) Included in other non-current assets on the Group's consolidated balance sheets.

(3) Included in long-term investments on the Group's consolidated balance sheets.

Recurring

The Group measures short-term investments and equity securities with readily determinable fair values at fair value on a recurring basis. The fair value of the Group's equity securities with readily determinable fair values are determined based on the quoted market price (Level 1). The fair value of the Group's short-term investments are determined based on the quoted market price for similar products (Level 2). For the year ended December 31, 2021, US\$109.5 million investment in certain wealth management products was transferred from Level 2 to Level 3 as market approach was applied with significant unobservable inputs, such as lack of marketability discount and price-to-book ratio. US\$59.3 million fair value change loss was recognized since the transfer and the balance as of December 31, 2021 was US\$50.2 million. The fair value of these wealth management products was nil as of December 31, 2022, which was determined based on market approach using unobservable inputs including selection of comparable debt securities and lack of marketability discounts. The Group recognized US\$47.0 million fair value change loss for these wealth management products for the year ended December 31, 2022. The Group recorded another US\$196.6 million fair value change loss for equity securities with readily determinable fair values for the year ended December 31, 2022.

Non-recurring

For those equity investments without readily determinable fair value, the Group measures them at market value when observable price changes are identified or impairment charges are recognized. The market values of the Group's privately held investments as disclosed are determined based on the discounted cash flow model using the discount curve of market interest rates or based on the similar transaction price in the market directly. The Group classifies the valuation techniques on those investments that use similar identifiable transaction prices as Level 2 of fair value measurements. The Group measures equity method investments at fair value on a non-recurring basis only if an impairment charge is recognized.

Certain privately held investments were measured using significant unobservable inputs (Level 3) and written down from their respective carrying values to fair values, considering the investees' financial performance, assumptions about future growth, and future financing plan, with impairment charges incurred and recorded in earnings for the period then ended. For the years ended December 31, 2020, 2021 and 2022, US\$126.8 million, US\$106.8 million and US\$63.5 million impairment charges were recorded for those equity investments without readily determinable fair values. As of December 31, 2021 and 2022, the carrying value of these impaired investments measured at Level 3 inputs were US\$14.5 million and US\$17.8 million, respectively. The fair value of the privately held investments was measured either based on discounted cash flow with unobservable inputs including the discount curve of market interest rates, or based on comparing the operating metrics of public peer companies with the investees.

The Group's non-financial assets, such as intangible assets, goodwill, fixed assets and operating lease assets, are measured at fair value only if they were determined to be impaired. In accordance with the Group's policy to perform an impairment assessment of its goodwill on an annual basis as of the balance sheets date or when facts and circumstances warrant a review, the Group performed an impairment assessment on its goodwill by reporting unit annually. The Group recognized no impairment charge of goodwill arising from previous acquisitions for the years ended December 31, 2020, 2021 and 2022, respectively.

The carrying amount of cash and cash equivalents, short-term investments, accounts receivable due from third parties, accounts receivable due from Alibaba, accounts receivable due from other related parties, amount due from SINA, accounts payable, accrued and other liabilities approximates fair values because of their short-term nature.

15. Convertible Debt, Unsecured Senior Notes and Long-term Loans

In October 2017, the Company issued US\$900 million in aggregate principal amount of 1.25% coupon interest convertible senior notes due on November 15, 2022 ("2022 Notes") at par. The net proceeds received by the Company from the issuance of the 2022 Notes were US\$879.3 million, net of issuance cost of US\$20.7 million. The Company pays cash interest at an annual rate of 1.25%, payable semiannually in arrears on May 15 and November 15 of each year, beginning May 15, 2018. The issuance costs of the 2022 Notes are being amortized to interest expenses over the contractual life. The 2022 Notes related interest expenses were US\$15.4 million, US\$15.4 million and US\$13.2 million for each of the years ended December 31, 2020, 2021 and 2022, respectively. The Company has repaid all outstanding principal amount and accrued interest expenses of 2022 Notes in November 2022.

In July 2019, the Company issued US\$800 million in aggregate principal amount of unsecured senior notes due on July 5, 2024 ("2024 Notes"), unless previously repurchased or redeemed in accordance with the terms prior to maturity. The 2024 Notes were issued at par value and bear an annual interest rate of 3.50%, payable semiannually in arrears on January 5 and July 5 of each year, beginning on January 5, 2020. The net proceeds to the Company from the issuance of the 2024 Notes were US\$793.3 million, net of issuance cost of US\$6.7 million. The issuance costs of the 2024 Notes are being amortized to interest expenses over the contractual life. The 2024 Notes related interest expenses were US\$29.3 million for each of the three years ended December 31, 2022.

In July 2020, the Company issued US\$750 million in aggregate principal amount of unsecured senior notes due on July 8, 2030 ("2030 Notes"), unless previously repurchased or redeemed in accordance with the terms prior to maturity. The 2030 Notes bear an annual interest rate of 3.375%, payable semiannually in arrears on January 8 and July 8 of each year, beginning on January 8, 2021. The net proceeds to the Company from the issuance of the 2030 Notes were US\$740.3 million, net of issuance cost of US\$9.7 million. The issuance costs of the 2030 Notes are being amortized to interest expenses over the contractual life. For the years ended December 31, 2020, 2021 and 2022, the Group recognized US\$12.7 million, US\$26.3 million and US\$26.3 million interest expenses from the 2030 Notes, respectively.

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On August 22, 2022, the Company signed a five-year US\$1.2 billion term and revolving facilities agreement with a group of 23 arrangers. The facilities consist of a US\$900 million five-year bullet maturity term loan and a US\$300 million five-year revolving facility. The term and revolving loans under this facility are priced at 128 basis points over Term SOFR (the applicable reference rate). As of the date of this annual report, the Company has fully withdrawn the US\$900 million term loan (“2027 Loans”). The Company used the proceeds from the term loan to refinance of existing indebtedness, general corporate purposes and payment of transaction related fees and expenses. For the year ended December 31, 2022, the Group recognized US\$2.8 million interest expenses from the 2027 Loans.

16. Commitments and Contingencies

Operating lease commitments include the commitments under the lease agreements for the Group’s office premises. The Group leases its office facilities under non-cancelable operating leases with various expiration dates. For the years ended December 31, 2020, 2021 and 2022, the Group recorded US\$12.5 million, US\$17.7 million and US\$21.9 million lease expenses, respectively. Based on the current rental lease agreements, future minimum lease payments commitments as of December 31, 2022 were as follows:

Operating lease commitments	Total	Less than One Year	One to Three Years (In US\$ thousands)	Three to Five Years	More than Five Years
As of December 31, 2022	\$ 83,714	\$ 13,013	\$ 26,379	\$ 15,469	\$ 28,853

Purchase commitments mainly include minimum commitments for marketing activities and internet connection. Purchase commitments as of December 31, 2022 were as follows:

Purchase commitments	Total	Less than One Year	One to Three Years (In US\$ thousands)	Three to Five Years	More than Five Years
As of December 31, 2022	\$ 686,776	\$ 636,474	\$ 48,729	\$ 1,361	\$ 212

2024 Notes represent future maximum commitment relating to the principal amount and interests in connection with the issuance of US \$800 million in aggregate principal amount of unsecured senior notes bearing an annual interest rate of 3.50%, which will mature on July 5, 2024. 2030 Notes represent future maximum commitment relating to the principal amount and interests in connection with the issuance of US\$750 million in aggregate principal amount of unsecured senior notes bearing an annual interest rate of 3.375%, which will mature on July 8, 2030. 2027 loans represent future estimated commitment relating to the principal amount and interests in connection with the issuance of US\$900 million term loan bearing annual rate at 128 basis points over Term SOFR as of December 31, 2022, which will mature on August 22, 2027. Other commitments as of December 31, 2022 were as follows:

Other commitments	Total	Less than One Year	One to Three Years (In US\$ thousands)	Three to Five Years	More than Five Years
2024 Notes	\$ 856,000	\$ 28,000	\$ 828,000	\$ —	\$ —
2030 Notes	952,500	25,313	50,625	50,625	825,937
2027 Loans	1,099,745	2,199	106,042	991,504	—
Total	<u>\$ 2,908,245</u>	<u>\$ 55,512</u>	<u>\$ 984,667</u>	<u>\$ 1,042,129</u>	<u>\$ 825,937</u>

There are uncertainties regarding the legal basis of the Group's ability to operate an Internet business in China. Although China has implemented a wide range of market-oriented economic reforms, the telecommunication, information and media industries remain highly regulated. Not only are such restrictions currently in place, the existing regulations are unclear as to which specific segments of these industries companies with foreign investors, including the Company, may operate. Therefore, the Group may be required to limit the scope of its operations in China, and this could have a material adverse effect on its financial position, results of operations and cash flows.

There are no claims, lawsuits, investigations or proceedings, including unasserted claims that are probable to be assessed, that have in the recent past had, or to the Group's knowledge, are reasonably possible to have, a material impact on the Group's financial statements.

17. Redeemable Non-controlling Interests

In the fourth quarter of 2020, the Group entered into a series of share purchase agreements with then existing shareholders of Shanghai Jiamian Information Technology Co., Ltd. to acquire the majority of the company's equity interest. The Group agreed to redeem the non-controlling interests held by founders and CEO of the company under certain circumstances during the following years subsequent to the acquisition. The Group determined that the non-controlling interest with redemption rights should be classified as redeemable non-controlling interest since they are contingently redeemable upon the occurrence of certain conditional events, which are not solely within the control of the Group.

The redeemable non-controlling interests is recognized at fair value on the acquisition date. The Group records accretion on the redeemable non-controlling interest to the redemption value over the period from the date of the acquisition to the date of earliest redemption. The accretion using the effective interest method, is recorded as deemed dividends to preferred shareholders, which reduce retained earnings and equity classified non-controlling interests, and earnings available to common shareholders in calculating basic and diluted earnings per share.

The process of adjusting redeemable non-controlling interests to its redemption value (the "Mezzanine Adjustment") should be performed after attribution of the subsidiary's net income or loss pursuant to ASC 810, Consolidation. The carrying amount of redeemable non-controlling interests will equal the higher of the amount resulting from application of ASC 810 or the amount resulting from the Mezzanine Adjustment. As the expected redemption value is less than the carrying value of redeemable non-controlling interests, there is nil mezzanine adjustment recognized for the years ended December 31, 2021 and 2022.

Pursuant to the agreements between the Group and the founders who are also employees of JM Tech, the founders are required to be incumbent and JM Tech should meet certain performance conditions during the following two years till December 31, 2022 for the founders to be entitled to their proportionate share in JM Tech's existing and future retained earnings during the period. Such entitlement will automatically be forfeited upon the termination of their employment during the period. The Company considered this arrangement as certain economic interests associated with the founders' non-controlling interest in JM Tech till December 31, 2022. Therefore, the Company recognized compensation costs for the founders' share of JM Tech's retained earnings with the credit increasing non-controlling interest and redeemable non-controlling interest. During the year ended December 31, 2021, US\$23.2 million compensation costs were recognized, of which US\$20.0 million was recorded to increase redeemable non-controlling interest.

As of December 31, 2022, the management of the Company had assessed the performance of JM Tech since the acquisition date and concluded that JM Tech did not meet the performance conditions defined in the share purchase agreements, which entitles the founders and CEO of JM Tech their proportionate share in the retained earnings during the period. Thus, the Group has reversed the accumulated US\$36.2 million compensation costs related to JM Tech's retained earnings recognized during the period, of which US\$31.9 million was recorded to reduce redeemable non-controlling interest and US\$4.3 million was recorded to reduce non-controlling interest.

18. Secondary Listing in Hong Kong

On December 8, 2021, the Company completed its global offering and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited ("HKEX"). Weibo offered 5,500,000 Class A ordinary shares of the Company and Sina Corporation (the "Selling Shareholder") offered 5,500,000 Class A ordinary shares of the Company, which were converted from the same number of Class B ordinary shares of the Company prior to the listing of Weibo's Class A ordinary shares on the HKEX. Net proceeds from the global offering, after deducting estimated underwriting fees and other offering expenses, were US\$178.4 million. The Company did not receive any proceeds from the sale of the Class A ordinary shares offered by the Selling Shareholder.

In addition, the Selling Shareholder granted an over-allotment option to the underwriters, to require the Selling Shareholder to sell up to an aggregate of 1,650,000 additional Class A ordinary shares of the Company (converted from the same number of Class B ordinary shares). The Selling Shareholder sold 1,453,620 shares to the underwriters for the option granted.

The underwriters borrowed 1,650,000 shares, which were included in the Company's total outstanding shares as of December 31, 2021, from WB HZGS Estate (Hong Kong) Limited (a wholly-owned subsidiary of Weibo) to facilitate the settlement of over-allocations. The borrowed shares were returned to WB HZGS Estate (Hong Kong) Limited in the first quarter of 2022.

19. Subsequent events

On March 1, 2023, Weibo Holding (Singapore) Pte. Ltd., the Company's wholly owned subsidiary, entered into certain share purchase agreement with ShowWorld Holding Limited, an indirect subsidiary of Sina Corporation, pursuant to which Weibo Holding (Singapore) Pte. Ltd. agreed to purchase all equity interests in ShowWorld HongKong Limited, a wholly-owned subsidiary of ShowWorld Holding Limited and an entity holding 332,615,750 shares of INMYSHOW Digital Technology (Group) Co., Ltd. for an aggregate consideration of approximately RMB2.16 billion in cash, payable in U.S. dollar. INMYSHOW is a Shanghai Stock Exchange-listed company (SSE: 600556).

Immediately following the consummation of the transaction and together with the Group's existing shareholding in INMYSHOW, the Group will in the aggregate beneficially own 480,342,364 shares of INMYSHOW, representing approximately 26.57% of its total issued shares.

Description of rights of each class of securities
registered under Section 12 of the Securities Exchange Act of 1934 (the “Exchange Act”)

As of December 31, 2022, Weibo Corporation, (or “Weibo,” “we,” “us,” “our company,” and “our”) had the following series of securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934, as amended, or the Exchange Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
American depositary shares, each representing one Class A ordinary share	WB	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)
Class A ordinary Shares, par value \$0.00025 per share*	9898	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)
Class A ordinary shares, par value \$0.00025 per share US\$800 million	N/A	The Stock Exchange of Hong Kong Limited
3.500% Senior Notes Due 2024 (the “2024 Notes”)	N/A	Singapore Exchange Securities Trading Limited
US\$750 million 3.375% Senior Notes Due 2030 (the “2030 Notes”)	N/A	Singapore Exchange Securities Trading Limited

* Not for trading, but only in connection with the listing on The Nasdaq Global Select Market of American depositary shares.

Description of Class A Ordinary Shares

The following is a summary of material provisions of our currently effective third amended and restated memorandum and articles of association (the “Memorandum and Articles of Association”), as well as the Companies Act (As Revised) of the Cayman Islands (the “Companies Act”) insofar as they relate to the material terms of our ordinary shares. Notwithstanding this, because it is a summary, it may not contain all the information that you may otherwise deem important. For more complete information, you should read our Memorandum and Articles of Association, which are filed with the SEC as an exhibit to our annual report on Form 20-F (File No. 001-36397) for the fiscal year ended December 31, 2022.

Type and Class of Securities (Item 9.A.5 of Form 20-F)

The ordinary shares of Weibo are divided into Class A ordinary shares and Class B ordinary shares, each par value \$0.00025 per share. The respective number of Class A ordinary shares and Class B ordinary shares outstanding as of the last day of the Company’s respective fiscal year is provided on the cover of the annual report on Form 20-F (the “Form 20-F”) of the Company. Certificates representing the ordinary shares are issued in registered form. Weibo will issue only non-negotiable shares, and will not issue bearer or negotiable shares.

Preemptive Rights (Item 9.A.3 of Form 20-F)

Our shareholders do not have preemptive rights.

Limitations or Qualifications (Item 9.A.6 of Form 20-F)

We keep and intend to maintain a dual-class voting structure. Holders of Class A ordinary shares are entitled to one vote per share, while holders of Class B ordinary shares are entitled to three votes per share.

Due to the disparate voting powers attached to these two classes of ordinary shares, holders of our Class B ordinary shares will have decisive influence over matters requiring shareholders’ approval, including election of directors and significant corporate transactions, such as a merger or sale of our company. This concentrated control will limit the ability to influence corporate matters and could discourage others from pursuing any potential merger, takeover or other change of control transactions that holders of Class A ordinary shares and ADSs may view as beneficial.

Rights of Other Types of Securities (Item 9.A. 7 of Form 20-F)

Not applicable.

Classes of Ordinary Shares

Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Except for conversion rights and voting rights, the Class A ordinary shares and Class B ordinary shares shall carry equal rights and rank pari passu with one another, including but not limited to the rights to dividends and other capital distributions.

Each Class B ordinary share is convertible into one Class A ordinary share at any time by the holder thereof. In addition, each Class B ordinary share shall automatically and immediately be converted (by way of being re-designated) into one Class A ordinary share upon (a) any sale, transfer, assignment or disposition of Class B ordinary shares by a holder thereof to any person or entity which is not Mr. Charles Chao (the "Founder") or a Founder's Affiliate (as defined in our memorandum and articles of association); or (b) a change of control of any direct or indirect holder of any Class B ordinary shares, including but not limited to, any person other than the Founder or a Founder's Affiliate gaining "Control" over any of SINA Parent Companies (e.g. by entering into an agreement with the Founder to jointly control the SINA Parent Companies), and even if the Founder or a Founder's Affiliate remains to have joint "Control" of the SINA Parent Companies, such Class B ordinary shares shall be automatically and immediately converted (by way of being re-designated) into an equal number of Class A ordinary shares. Moreover, each Class B ordinary share shall automatically and immediately be converted (by way of being re-designated) into one Class A ordinary share if at any time SINA and its Affiliates (as defined in our memorandum and articles of association) in the aggregate hold less than five percent (5%) of the issued Class B ordinary shares in our company, and no Class B ordinary shares shall be issued by our company thereafter. Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances.

"Control" shall mean having (A) the power to control the management or elect a majority of members to the board of directors or equivalent decision-making body of, or (B) the power to exercise or control the exercise of 50% or more of the voting power (through power of attorney, voting proxies, shareholders' agreements or otherwise) at the general meetings or other equivalent decision-making body of, such corporation, partnership or other entity. "SINA Parent Companies" shall mean the holding companies of Weibo Corporation, including New Wave MMXV Limited, Sina Group Holding Company Limited, SINA Corporation and any other intermediate holding company(ies) of Sina Corporation that may be established in the future.

Voting Rights

Holders of ordinary shares have the right to receive notice of, attend, speak and vote at general meetings of our company except where a shareholder is required, by the rules of the stock exchange on which the Company's ADSs or shares are listed for trading, to abstain from voting to approve the matter under consideration. Holders of Class A ordinary shares and Class B ordinary shares shall, at all times, vote together as one class on all matters submitted to a vote by the members at any such general meeting. Each Class A ordinary share shall be entitled to one vote on all matters subject to the vote at general meetings of our company, and each Class B ordinary share shall be entitled to three votes on all matters subject to the vote at general meetings of our company. Voting at any meeting of shareholders is by show of hands unless a poll is demanded. A poll may be demanded by the chairman of such meeting or any one shareholder present in person or by proxy.

An ordinary resolution to be passed by the shareholders requires the affirmative vote of a simple majority of the votes attached to the ordinary shares cast by those shareholders who are present in person or by proxy at a general meeting, while a special resolution requires the affirmative vote of no less than two-thirds of the votes attached to the ordinary shares cast by those shareholders who are present in person or by proxy at a general meeting. Both ordinary resolutions and special resolutions may also be passed by a unanimous written resolution signed by all the shareholders of our company, as permitted by the Companies Act and our memorandum and articles of association. A special resolution will be required for important matters such as a change of name or making changes to our memorandum and articles of association.

Transfer of Ordinary Shares

Any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board of directors.

However, our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share which is not fully paid up or on which our company has a lien. Our board of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of ordinary shares;
- the instrument of transfer is properly stamped (in circumstances where stamping is required);
- the ordinary shares transferred are free of any lien in favor of us;
- any fee related to the transfer has been paid to us; and
- in the case of a transfer to joint holders, the number of joint holders to which the share is to be transferred does not exceed four.

If our directors refuse to register a transfer they are required, within two months after the date on which the instrument of transfer was lodged, to send to each of the transferor and the transferee notice of such refusal.

Liquidation

On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of ordinary shares), assets available for distribution among the holders of ordinary shares will be distributed among the holders of the ordinary shares on a pro rata basis. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders proportionately. We are a “limited liability” company registered under the Companies Act, and under the Companies Act, the liability of our members is limited to the amount, if any, unpaid on the shares respectively held by them. Our memorandum of association contains a declaration that the liability of our members is so limited.

Calls on Ordinary Shares and Forfeiture of Ordinary Shares

Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their ordinary shares. The ordinary shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption, Repurchase and Surrender of Ordinary Shares

We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders thereof, on such terms and in such manner as may be determined, before the issue of such shares, by our board of directors. Our company may also repurchase any of our shares provided that the manner and terms of such purchase have been approved by our board of directors or are otherwise authorized by our memorandum and articles of association. Under the Companies Act, the redemption or repurchase of any share may be paid out of our company’s profits or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if our company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Act no such share may be redeemed or repurchased (a) unless it is fully paid up, (b) if such redemption or repurchase would result in there being no shares outstanding, or (c) if the company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.

Requirements to Change the Rights of Holders of Class A Ordinary Shares (Item 10.B.4 of Form 20-F)

Variations of Rights of Shares

If at any time, our share capital is divided into different classes of shares, all or any of the rights attached to any class of shares may be varied or abrogated with the consent in writing of the holders of not less than two-thirds 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 shares of that class. The rights conferred upon the holders of the shares of any class issued with preferred or other rights will not, unless otherwise expressly provided in the rights attaching to

or the terms of issue of the shares of that class, be deemed to be varied or abrogated by the creation or issue of further shares ranking pari passu with such existing class of shares.

General Meetings of Shareholders and Shareholder Proposals

As a Cayman Islands exempted company, we are not obliged by the Companies Act to call shareholders' annual general meetings. Our memorandum and articles of association provide that we shall in each year hold a general meeting as our annual general meeting in which case we shall specify the meeting as such in the notices calling it, and the annual general meeting shall be held at such time and place as may be determined by our directors.

Shareholders' annual general meetings and any other general meetings of our shareholders may be convened by a majority of our board of directors. Advance notice of at least fourteen calendar days is required for the convening of our annual general shareholders' meeting and any other general meeting of our shareholders. A quorum required for a general meeting of shareholders consists of one or more shareholders together holding at the date of the relevant meeting not less than 10% of all votes attaching to all shares present in person or by proxy, which carry the right to vote at general meeting.

Cayman Islands law provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our memorandum and articles of association allow one or more shareholders holding shares representing in aggregate not less than 10% of all votes attaching to all shares present in person or by proxy, on a one vote per share basis, which carry the right to vote at general meeting to requisition an extraordinary general meeting of the shareholders, in which case our directors are obliged to call such meeting and to put the resolutions so requisitioned to a vote at such meeting; however, our memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

Election and Removal of Directors

Unless otherwise determined by our company in general meeting, our memorandum and articles of association provide that our board of directors will consist of not less than two directors. There are no provisions relating to retirement of directors upon reaching any age limit.

The directors have the power to appoint any person as a director either to fill a casual vacancy on the board or as an addition to the existing board. Any director so appointed shall hold office only until the next following annual general meeting of our company and shall then be eligible for re-election at that meeting. At each annual general meeting, one-third of the directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third, shall retire from office by rotation. The directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became directors on the same day those to retire shall (unless they otherwise agree between themselves) be determined by lot. A retiring director shall retain office until the close of the meeting at which he retires, and shall be eligible for re-election thereafter.

Our shareholders may also appoint any person to be a director by way of ordinary resolution.

A director may be removed with or without cause by an ordinary resolution of our shareholders. The office of a director shall also be vacated automatically if, among other things, the director (1) becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally; or (2) an order is 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 and the board of directors resolves that his office be vacated; or (3) without leave, is absent from meetings of the board for a continuous period of 12 months, and the board resolves that his office be vacated; or (4) ceases to be or is prohibited from being a director by law or by virtue of any provisions in our articles of association; or (5) is removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of our directors (including himself) then in office.

Proceedings of Board of Directors

Our memorandum and articles of association provide that our business is to be managed and conducted by our board of directors. The quorum necessary for board meetings may be fixed by the board and, unless so fixed at another number, will be a majority of the directors then in office.

Our memorandum and articles of association provide that our board of directors may from time to time at its discretion exercise all powers of our company to raise or borrow or to secure the payment of any sum or sums of money for the purposes of our company and to mortgage or charge the undertaking, property and assets (present and future) and uncalled capital of our company and issue debentures, bonds and other securities of our company, whether outright or as collateral security for any debt, liability or obligation of our company or of any third party.

Limitations on the Rights to Own Shares (Item 10.B.6 of Form 20-F)

There are no limitations imposed by our memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our Class A ordinary shares.

Provisions Affecting Any Change of Control (Item 10.B. 7 of Form 20-F)

Anti-Takeover Provisions in the Memorandum and Articles of Association

Some provisions of our memorandum and articles of association may discourage, delay or prevent a change in control of our company or management that shareholders may consider favorable, including provisions that authorize our board of directors to issue preferred shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preferred shares without any further vote or action by our shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our memorandum and articles of association, as amended and restated from time to time, for a proper purpose and for what they believe in good faith to be in the best interests of our company.

Ownership Threshold (Item 10.B.8 of Form 20-F)

There are no provisions in our memorandum and articles of association that require our company to disclose shareholder ownership above any particular ownership threshold. However, our shareholders will be required to disclose shareholder ownership in accordance with applicable laws and regulations.

Differences Between the Law of Different Jurisdictions (Item 10.B.9 of Form 20-F)

The Companies Act is derived, to a large extent, from the older Companies Acts of England but does not follow recent United Kingdom statutory enactments, and accordingly there are significant differences between the Companies Act and the current Companies Act of England. In addition, the Companies Act differs from laws applicable to United States corporations and their shareholders. Set forth below is a summary of the significant differences between the provisions of the Companies Act applicable to us and the laws applicable to companies incorporated in the United States and their shareholders.

Mergers and Similar Arrangements

The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company and (b) a "consolidation" means the combination of two or more constituent companies into a combined company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company, and (b) such other authorization, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting shareholders have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

In addition, there are statutory provisions that facilitate the reconstruction and amalgamation of companies; provided that the arrangement is approved by (a) 75% in value of shareholders; or (b) a majority in number representing 75% in value of creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act.

When a takeover offer is made and accepted by holders of 90% of the shares affected within four months, the offeror may, within a two-month period commencing on the expiration of such four-month period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction is thus approved, the dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits

In principle, we will normally be the proper plaintiff and as a general rule a derivative action may not be brought by a minority shareholder. However, 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 apply and follow 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, a company to challenge the following:

- an acts which is illegal or ultra vires;
- an act which, although not ultra vires, could only be effected duly if authorized by a special or qualified majority vote that has not been obtained; and
- an act which constitutes a fraud on the minority where the wrongdoers are themselves in control of the company.

Indemnification of Directors and Executive Officers and Limitation of Liability

Cayman Islands law does not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our memorandum and articles of association provide that our directors and officers shall be indemnified out of the assets and profits of our company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts; provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation. In addition, we have entered into indemnification

agreements with our directors and senior executive officers that provide such persons with additional indemnification beyond that provided in our memorandum and articles of association.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Anti-Takeover Provisions in the Memorandum and Articles of Association

Some provisions of our memorandum and articles of association may discourage, delay or prevent a change in control of our company or management that shareholders may consider favorable, including provisions that authorize our board of directors to issue preferred shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preferred shares without any further vote or action by our shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our memorandum and articles of association, as amended and restated from time to time, for a proper purpose and for what they believe in good faith to be in the best interests of our company.

Directors' Fiduciary Duties

Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director act in a manner he or she reasonably believes to be in the best interests of the corporation. He or she must not use his or her corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, a director must prove the procedural fairness of the transaction and that the transaction was of fair value to the corporation.

As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore he owes the following duties to the company — a duty to act in good faith in the best interests of the company, a duty not to make a personal profit based on his or her position as director (unless the company permits him to do so), a duty not to put himself in a position where the interests of the company conflict with his or her personal interest or his or her duty to a third party and a duty to exercise powers for the purpose for which such powers were intended. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his or her duties a greater degree of skill than may reasonably be expected from a person of his or her knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands.

Shareholder Proposals

Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. The Delaware General Corporation Law does not provide shareholders an express right to put any proposal before the annual meeting of shareholders, but in keeping with common law, Delaware corporations generally afford shareholders an opportunity to make proposals and nominations provided that they comply with the notice provisions in the certificate of incorporation or bylaws. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

Cayman Islands law provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our memorandum and articles of association provides that, on the requisition of any one or more shareholders holding shares representing in aggregate not less than 10% of all votes attaching to all shares present in person or by proxy, on a one vote per share basis, which carry the right to vote at general meeting, the board shall convene an extraordinary general meeting. However, our memorandum and articles of association do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders. As a Cayman Islands exempted company, we are not obliged by law to call shareholders' annual general meetings, but our memorandum and articles of association obliges our company in each year to hold a general meeting as our annual general meeting in addition to any other meeting in that year. The annual general meeting may be held at such time and place as our board of directors shall appoint.

Cumulative Voting

Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. Cayman Islands law does not prohibit cumulative voting, but our memorandum and articles of association do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Transactions with Interested Shareholders

The Delaware General Corporation Law contains a business combination statute applicable to Delaware public corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation or bylaws that is approved by its shareholders, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting stock or who or which is an affiliate or associate of the corporation and owned 15% or more of the corporation's outstanding voting stock within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, the directors of the Company are required to comply with fiduciary duties which they owe to the Company under Cayman Islands laws, including the duty to ensure that, in their opinion, any such transactions must be entered into bona fide in the best interests of the company and for a proper corporate purpose and not with the effect of constituting a fraud on the minority shareholders.

Dissolution; Winding Up

Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board. Under Cayman Islands law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company is unable to pay its debts as they fall due, by an ordinary resolution of its members. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

Variation of Rights of Shares

Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under Cayman Islands law and our memorandum and articles of association, if our share capital is divided into more than one class of shares, we may vary the rights attached to any class only with the written consent of the holders of not less than two-thirds 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 shares of that class.

Amendment of Governing Documents

Under the Delaware General Corporation Law, a corporation's certificate of incorporation may be amended only if adopted and declared advisable by the board of directors and approved by a majority of the outstanding shares entitled to vote and the bylaws may be amended with the approval of a majority of the outstanding shares entitled to vote and may, if so provided in the certificate of incorporation, also be amended by the board of directors. Under the Companies Act and our memorandum and articles of association, our memorandum and articles of association may only be amended by a special resolution of our shareholders.

Rights of Non-Resident or Foreign Shareholders

There are no limitations imposed by our memorandum and articles of association on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

Directors' Power to Issue Shares

Under our memorandum and articles of association, our board of directors is empowered to issue or allot shares or grant options and warrants with or without preferred, deferred, qualified or other special rights or restrictions.

Changes in Capital (Item 10.B.10 of Form 20-F)

Our shareholders may from time to time by ordinary resolution:

- increase our share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe;
- consolidate and divide all or any of our share capital into shares of a larger amount than our existing shares;
- sub-divide our existing shares, or any of them into shares of a smaller amount; provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived; or
- cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of our share capital by the amount of the shares so cancelled.

Our shareholders may by special resolution, subject to confirmation by the Grand Court of the Cayman Islands on an application by our company for an order confirming such reduction, reduce our share capital or any capital redemption reserve in any manner permitted by law.

Debt Securities (Item 12.A of Form 20-F)

Not applicable.

Warrants and Rights (Item 12.B of Form 20-F)

Not applicable.

Not applicable.

Description of Notes (Item 12.A of Form 20-F)

The following description is only a summary of the material terms of the 2024 Notes and 2030 Notes and does not purport to be complete. The 2024 Notes were issued under and governed by an indenture dated as of July 5, 2019, as supplemented by the first supplemental indenture dated as of July 5, 2019, and the second supplemental indenture dated as of July 8, 2020 (as so supplemented, the “indenture”), between us and Deutsche Bank Trust Company Americas, as trustee (the “trustee”). The following description of certain material terms of the Notes is subject to, and is qualified in its entirety by reference to, the indenture, including definitions of specified terms used in the indenture, and to the Trust Indenture Act of 1939, as amended. We urge you to read the indenture because it, and not this description, defines your rights as a beneficial holder of the Notes. The Indenture, and the first supplemental indenture have been filed with the SEC as exhibits to Form 6-K (File No. 001-36397), filed on July 5, 2019. The second supplemental indenture have been filed with the SEC as an exhibit to Form 6-K (File No. 001-36397), filed on July 8, 2020.

Principal, Maturity and Interest

The Notes will constitute a series of securities under the indenture.

The 2024 Notes will initially be issued in an aggregate principal amount of US\$800,000,000 and will mature on July 5, 2024 unless the 2024 Notes are redeemed prior to their maturity pursuant to the indenture and the terms thereof. The 2024 Notes will bear interest at the rate of 3.500% per annum. Interest on the 2024 Notes will accrue from July 5, 2019 and will be payable semi-annually in arrears on January 5 and July 5 of each year, beginning on January 5, 2020, to the persons in whose names the 2024 Notes are registered at the close of business on the preceding June 21 and December 22, respectively, which we refer to as the record dates. At maturity, the 2024 Notes are payable at their principal amount plus accrued and unpaid interest thereon. In any case where the payment of principal of, premium (if any) or interest on the 2024 Notes is due on a date that is not a Business Day (as defined under the heading “Optional Redemption” below), then payment of principal of, premium (if any) or interest on the 2024 Notes, as the case may be, shall be made on the next succeeding Business Day and no interest shall accrue with respect to such payment for the period from and after such date that is not a Business Day to such next succeeding Business Day. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The 2030 Notes will initially be issued in an aggregate principal amount of US\$750,000,000 and will mature on July 8, 2030 unless the 2030 Notes are redeemed prior to their maturity pursuant to the indenture and the terms thereof. The 2030 Notes will bear interest at the rate of 3.375% per annum. Interest on the 2030 Notes will accrue from July 8, 2020 and will be payable semi-annually in arrears on January 8 and July 8 of each year, beginning on January 8, 2021, to the persons in whose names the 2030 Notes are registered at the close of business on the preceding December 25 and June 24, respectively, which we refer to as the record dates. At maturity, the 2030 Notes are payable at their principal amount plus accrued and unpaid interest thereon. In any case where the payment of principal of, premium (if any) or interest on the 2030 Notes is due on a date that is not a Business Day, then payment of principal of, premium (if any) or interest on the 2030 Notes, as the case may be, shall be made on the next succeeding Business Day and no interest shall accrue with respect to such payment for the period from and after such date that is not a Business Day to such next succeeding Business Day. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Denomination

The Notes shall be denominated in minimum principal amounts of US\$200,000 and in integral multiples of US\$1,000 in excess thereof. The Notes are issued in global registered form.

Issuance of Additional Notes

We may, from time to time, without the consent of the holders of the Notes, create and issue additional Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, the issue price, the first date for accrual of interest and the first payment of interest). The additional Notes issued in this manner will be consolidated with the previously outstanding Notes to constitute a single series of the Notes. We will not issue any additional Notes with the same CUSIP, ISIN or other identifying number as any Notes

offered hereby unless the additional Notes are fungible with the outstanding Notes for U.S. federal income tax purposes.

Ranking

The Notes will be our senior unsecured obligations issued under the indenture. The Notes will rank senior in right of payment to all of our existing and future obligations expressly subordinated in right of payment to the Notes and rank at least equal in right of payment with all of our existing and future unsecured and unsubordinated obligations (subject to any priority rights pursuant to applicable law). The 2030 Notes will rank senior in right of payment to all of our existing and future obligations expressly subordinated in right of payment to the 2030 Notes and rank at least equal in right of payment with all of our existing and future unsecured and unsubordinated obligations (subject to any priority rights pursuant to applicable law) including our obligations under our convertible senior notes due 2022, and unsecured senior notes due 2024. However, the Notes will be effectively subordinated to all of our existing and future secured obligations, to the extent of the value of the assets serving as security therefor, and be structurally subordinated to all existing and future obligations and other liabilities of our Controlled Entities.

Optional Redemption

We may, upon giving not less than 30 days nor more than 60 days' notice to holders of the 2024 Notes (which notice shall be irrevocable) and the trustee, redeem the 2024 Notes at any time prior to June 5, 2024, in whole or in part, at a redemption amount equal to the greater of:

- 100% of the principal amount of the 2024 Notes to be redeemed; and
- the "make whole amount," which means the amount determined on the fifth Business Day before the redemption date equal to the sum of (i) the present value of the principal amount of the Notes to be redeemed, assuming a scheduled repayment thereof on the stated maturity date, plus (ii) the present value of the remaining scheduled payments of interest to and including the stated maturity date, in each case discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months and, in the case of an incomplete month, the actual number of days elapsed) at the Treasury Yield plus 30 basis points,

plus, in each case, accrued and unpaid interest on the 2024 Notes to be redeemed, if any, to, but not including, the applicable redemption date; provided that the principal amount of a Note remaining outstanding after redemption in part shall be US\$200,000 or an integral multiple of US\$1,000 in excess thereof.

We may, upon giving not less than 30 days nor more than 60 days' notice to holders of the 2030 Notes (which notice shall be irrevocable) and the trustee, redeem the Notes at any time prior to April 8, 2030, in whole or in part, at a redemption amount equal to the greater of:

- 100% of the principal amount of the 2030 Notes to be redeemed; and
- the "make whole amount," which means the amount determined on the fifth Business Day before the redemption date equal to the sum of (i) the present value of the principal amount of the Notes to be redeemed, assuming a scheduled repayment thereof on the stated maturity date, plus (ii) the present value of the remaining scheduled payments of interest to and including the stated maturity date, in each case discounted to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months and, in the case of an incomplete month, the actual number of days elapsed) at the Treasury Yield plus 45 basis points,

plus, in each case, accrued and unpaid interest on the Notes to be redeemed, if any, to, but not including, the applicable redemption date; provided that the principal amount of a Note remaining outstanding after redemption in part shall be US\$200,000 or an integral multiple of US\$1,000 in excess thereof.

At least five days prior to the date when the notice of redemption is sent to holders of the Notes (unless a shorter notice period shall be acceptable to the trustee), we shall notify the trustee in writing of such proposed redemption date and the principal amount of the Notes to be redeemed.

In addition, we may, upon giving not less than 30 days nor more than 60 days' notice to holders of the 2024 Notes (which notice shall be irrevocable) and the trustee, redeem the 2024 Notes at any time from or after June 5, 2024, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2024 Notes

to be redeemed plus, accrued and unpaid interest on the 2024 Notes to be redeemed, if any, to, but not including, the applicable redemption date.

We may, upon giving not less than 30 days nor more than 60 days' notice to holders of the 2030 Notes (which notice shall be irrevocable) and the trustee, redeem the 2030 Notes at any time from or after April 8, 2030, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2030 Notes to be redeemed plus, accrued and unpaid interest on the 2030 Notes to be redeemed, if any, to, but not including, the applicable redemption date.

"Business Day" means a day other than a Saturday, Sunday or a day on which banking institutions or trust companies in The City of New York, Hong Kong or Beijing are authorized or obligated by law, regulation or executive order to remain closed.

"Comparable Treasury Issue" means the United States Treasury security selected by an Independent Investment Banker that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes to be redeemed.

"Comparable Treasury Price" means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (2) if we obtain fewer than three such Reference Treasury Dealer Quotations, the average of all quotations obtained.

"Independent Investment Banker" means one of the Reference Treasury Dealers appointed by us.

"Reference Treasury Dealer" means each of any three investment banks of recognized standing that is a primary U.S. government securities dealer in the United States, selected by us in good faith.

"Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by us, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to us by such Reference Treasury Dealer as of 5:00 p.m., New York City time, on the fifth Business Day before such redemption date.

"Treasury Yield" means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity (computed as of the fifth Business Day before such redemption date) of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

The notice of redemption will be delivered at least 30 days but not more than 60 days before the redemption date to each holder of record of the Notes to be redeemed at its registered address. The notice of redemption for the Notes will state, among other things, the amount of Notes to be redeemed, the redemption date, the manner in which the redemption price will be calculated and the place or places that payment will be made upon presentation and surrender of Notes to be redeemed. Unless we default in the payment of the redemption price, interest will cease to accrue on any Notes that have been called for redemption at the redemption date. If less than all of the Notes are to be redeemed, the Notes to be redeemed will be selected (i) if listed on a national securities exchange or held through the clearing systems then in compliance with the requirements of such national securities exchange or the clearing system, and (ii) if the Notes are not listed on any securities exchange and are not held through the clearing systems then pro rata, by lot or in such other manner as the trustee deems appropriate in its sole discretion, unless otherwise required by law.

Repurchase Upon Triggering Event

If a Triggering Event occurs, unless we have exercised our right to redeem the Notes as described under the heading "Description of Debt Securities—Tax Redemption" in the relevant prospectus or under the heading "Optional Redemption" above, we will be required to make an offer to repurchase all or, at the holder's option, any part (equal to US\$200,000 or multiples of US\$1,000 in excess thereof), of each holder's Notes pursuant to the offer described below (the "Triggering Event Offer" on the terms set forth in the indenture and the Notes. In the Triggering Event Offer, we will be required to offer payment in cash equal to 101% of the aggregate principal amount of Notes repurchased plus accrued and unpaid interest, if any, on the Notes repurchased to, but not including, the date of purchase (the "Triggering Event Payment").

Within 30 days following a Triggering Event, we will be required to mail a notice to holders of the Notes, with a copy to the trustee, describing the transaction or transactions that constitute the Triggering Event and offering to repurchase the Notes on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is delivered (the “Triggering Event Payment Date”), pursuant to the procedures required by the Notes and described in such notice.

On the Triggering Event Payment Date, we will be required, to the extent lawful, to:

- accept for payment all Notes or portions of Notes properly tendered pursuant to the Triggering Event Offer;
- deposit with the relevant paying agent one Business Day prior to the Triggering Event Payment Date an amount equal to the Triggering Event Payment in respect of all Notes or portions of Notes properly tendered; and
- deliver or cause to be delivered to the trustee the Notes properly accepted together with an officers’ certificate stating the aggregate principal amount of Notes or portions of Notes being purchased by us.

The relevant paying agent will be required to promptly deliver, to each holder who properly tendered Notes, the purchase price for such Notes properly tendered, and the trustee will be required to promptly authenticate and deliver (or cause to be transferred by book-entry) to each such holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; provided that each new Note will be in a principal amount of US\$200,000 or a multiple of US\$1,000 in excess thereof.

We will not be required to make a Triggering Event Offer upon a Triggering Event if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and such third party purchases all Notes properly tendered and not withdrawn under its offer. In the event that such third party terminates or defaults its offer, we will be required to make a Triggering Event Offer treating the date of such termination or default as though it were the date of the Triggering Event.

We will comply with the requirements of Rule 14e-1 under the Securities Exchange Act of 1934, as amended (“Exchange Act”), to the extent applicable, and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Triggering Event. To the extent that the provision of any such securities laws or regulations conflicts with the Triggering Event Offer provisions of the Notes, we will comply with those securities laws and regulations and will not be deemed to have breached our obligations under the Triggering Event Offer provisions of the Notes by virtue of any such conflict.

There can be no assurance that we will have sufficient funds available at the time of a Triggering Event to consummate a Triggering Event Offer for all Notes then outstanding (or all Notes properly tendered by the holders of such Notes) and pay the Triggering Event Payment. We may also be prohibited by terms of other indebtedness or agreements from repurchasing the Notes upon a Triggering Event, which would require us to repay the relevant indebtedness or terminate the relevant agreement before we can proceed with a Triggering Event Offer, and there can be no assurance that we will be able to effect such repayment or termination.

“Capital Stock” of any Person means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any Preferred Shares and limited liability or partnership interests (whether general or limited), but excluding any debt securities convertible or exchangeable into such equity.

“Consolidated Affiliated Entity” of any Person means any corporation, association or other entity which is or is required to be consolidated with such Person under Accounting Standards Codification subtopic 810-10, Consolidation: Overall (including any changes, amendments or supplements thereto) or, if such Person prepares its financial statements in accordance with accounting principles other than U.S. GAAP, the equivalent of Accounting Standards Codification subtopic 810-10, Consolidation: Overall under such accounting principles. Unless otherwise specified herein, each reference to a Consolidated Affiliated Entity will refer to a Consolidated Affiliated Entity of ours.

“Controlled Entity” of any Person means a Subsidiary or a Consolidated Affiliated Entity of such Person.

“Group” means the Company and our Controlled Entities.

“Person” means any individual, corporation, firm, limited liability company, partnership, joint venture, undertaking, association, joint stock company, trust, unincorporated organization, trust, state, government or any agency or political subdivision thereof or any other entity (in each case whether or not being a separate legal entity).

“Preferred Shares,” as applied to the Capital Stock of any corporation, means Capital Stock of any class or classes (however designated) that is preferred as to the payment of dividends upon liquidation, dissolution or winding up.

“Subsidiary” of any Person means (a) any corporation, association or other business entity (other than a partnership, joint venture, limited liability company or similar entity) of which more than 50% of the total ordinary voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof (or Persons performing similar functions) or (b) any partnership, joint venture limited liability company or similar entity of which more than 50% of the capital accounts, distribution rights, total equity and voting interests or general or limited partnership interests, as applicable, is, in the case of clauses (a) and (b), voting at the time owned or controlled, directly or indirectly, by (1) such Person, (2) such Person and one or more Subsidiaries of such Person or (3) one or more Subsidiaries of such Person. Unless otherwise specified herein, each reference to a Subsidiary will refer to a Subsidiary of the Company.

“Triggering Event” means (A) any change in or amendment to the laws, regulations and rules of China or the official interpretation or official application thereof (a “change in law”) that results in (x) the Group (as in existence immediately subsequent to such change in law), as a whole, being legally prohibited from operating substantially all of the business operations conducted by the Group (as in existence immediately prior to such change in law) as of the last date of the period described in our consolidated financial statements for the most recent fiscal quarter and (y) our being unable to continue to derive substantially all of the economic benefits from the business operations conducted by the Group (as in existence immediately prior to such change in law) in the same manner as reflected in our consolidated financial statements for the most recent fiscal quarter and (B) we have not furnished to the trustee, prior to the date that is twelve months after the date of the change in law, an opinion from an independent financial advisor or an independent legal counsel stating either (1) we are able to continue to derive substantially all of the economic benefits from the business operations conducted by the Group (as in existence immediately prior to such change in law), taken as a whole, as reflected in our consolidated financial statements for the most recent fiscal quarter (including after giving effect to any corporate restructuring or reorganization plan of ours) or (2) such change in law would not materially adversely affect our ability to make principal and interest payments on the Notes when due.

The definition of Triggering Event includes a phrase relating to operating “substantially all” or deriving “substantially all” of the economic benefits from, the business operations conducted by the Group. Although there is a limited body of case law interpreting the phrase “substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, the applicability of the requirement that we offer to repurchase the Notes as a result of a Triggering Event may be uncertain.

Modification and Waiver

The provisions of the indenture relating to modification and waiver, which are described under the heading “Description of Debt Securities—Modification and Waiver” in the relevant prospectus, will apply to the Notes, with the additional provisions that:

- (i) we and the trustee may not, without the consent of each holder of the Notes affected thereby, reduce the amount of the premium payable upon the redemption or repurchase the Notes or change the time at which the Notes may be redeemed or repurchased as described above under “—Optional Redemption” or “—Repurchase Upon Triggering Event” whether through an amendment or waiver of provisions in the covenants, definitions or otherwise (except through amendments to the definition of “Triggering Event”); and
- (ii) we and the trustee may, without the consent of any holder of the Notes, amend the indenture and the Notes to conform the text of the indenture or the Notes to any provision of this “Description of the Notes” to the extent that such provision in this “Description of the Notes” was intended to be a verbatim recitation of a provision of the indenture or the Notes as evidenced to the trustee by an officers' certificate.

Limitation on Liens

So long as any Note remains outstanding, we will not create or have outstanding, and we will ensure that none of our Principal Controlled Entities will create or have outstanding, any Lien upon the whole or any part of their respective present or future undertaking, assets or revenues (including any uncalled capital) securing any Relevant Indebtedness or securing any guarantee or indemnity in respect of any Relevant Indebtedness either of us or of any of our Principal Controlled Entities, without (i) at the same time or prior thereto securing the Notes equally and ratably therewith or (ii) providing such other security for the Notes as shall be approved by an act of the holders of the Notes holding at least a majority of the principal amount of the Notes then outstanding.

The foregoing restriction will not apply to:

- (i) any Lien arising or already arisen automatically by operation of law which is timely discharged or disputed in good faith by appropriate proceedings;
- (ii) any Lien in respect of the obligations of any Person which becomes a Principal Controlled Entity or which merges with or into us or a Principal Controlled Entity after the date of the indenture which is in existence at the date on which it becomes a Principal Controlled Entity or merges with or into us or a Principal Controlled Entity; provided that any such Lien was not incurred in anticipation of such acquisition or of such Person becoming a Principal Controlled Entity or being merged with or into us or a Principal Controlled Entity;
- (iii) any Lien created or outstanding in favor of us;
- (iv) any Lien in respect of Relevant Indebtedness of us or any Principal Controlled Entity with respect to which we or such Principal Controlled Entity has paid money or deposited money or securities with a fiscal agent, trustee or depository to pay or discharge in full the obligations of us or such Principal Controlled Entity in respect thereof (other than the obligation that such money or securities so paid or deposited, and the proceeds therefrom, be sufficient to pay or discharge such obligations in full);
- (v) any Lien created in connection with Relevant Indebtedness of us or any Principal Controlled Entity denominated in Chinese Renminbi and initially offered, marketed or issued primarily to Persons resident in China;
- (vi) any Lien created in connection with a project financed with, or created to secure, Non-recourse Obligations; or
- (vii) any Lien arising out of the refinancing, extension, renewal or refunding of any Relevant Indebtedness secured by any Lien permitted by the foregoing clause (ii), (v), (vi) or this clause (vii); provided that such Relevant Indebtedness is not increased beyond the principal amount thereof (together with the costs of such refinancing, extension, renewal or refunding) and is not secured by any additional property or assets.

“Lien” means any mortgage, charge, pledge, lien or other form of encumbrance or security interest.

“Non-recourse Obligation” means indebtedness or other obligations substantially related to (i) the acquisition of assets (including any Person that becomes a Controlled Entity) not previously owned by the Company or any of its Controlled Entities or (ii) the financing of a project involving the purchase, development, improvement or expansion of properties of the Company or any of its Controlled Entities, as to which the obligee with respect to such indebtedness or obligation has no recourse to the Company or any of its Principal Controlled Entities or to the assets of the Company or any such Principal Controlled Entity other than the Controlled Entity (and its assets) or the assets which were acquired with the proceeds of such transaction or the project financed with the proceeds of such transaction (and the proceeds thereof).

“Relevant Indebtedness” means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which for the time being are, or are intended to be or are commonly, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

Certain Definitions

Set forth below are definitions of certain of the terms used herein. Additional terms are defined elsewhere above or in the Indenture.

“Principal Controlled Entities” at any time shall mean one of our Non-listed Controlled Entities

- (i) as to which one or more of the following conditions is/are satisfied:
 - (a) its total revenue or (in the case of one of our Non-listed Controlled Entities which has one or more Non-listed Controlled Entities) consolidated total revenue attributable to us is at least 10% of our consolidated total revenue;
 - (b) its net profit or (in the case of one of our Non-listed Controlled Entities which has one or more Non-listed Controlled Entities) consolidated net profit attributable to us (in each case before taxation and exceptional items) is at least 10% of our consolidated net profit (before taxation and exceptional items); or
 - (c) its net assets or (in the case of one of our Non-listed Controlled Entities which has one or more Non-listed Controlled Entities) consolidated net assets attributable to us (in each case after deducting minority interests in Subsidiaries) are at least 10% of our consolidated net assets (after deducting minority interests in Subsidiaries);

all as calculated by reference to the then latest audited financial statements (consolidated or, as the case may be, unconsolidated) of our Non-listed Controlled Entity and our then latest audited consolidated financial statements;

provided that, in relation to paragraphs (a), (b) and (c) above:

- (1) in the case of a corporation or other business entity becoming a Non-listed Controlled Entity after the end of the financial period to which our latest consolidated audited accounts relate, the reference to our then latest consolidated audited accounts and our Non-listed Controlled Entities for the purposes of the calculation above shall, until our consolidated audited accounts for the financial period in which the relevant corporation or other business entity becomes a Non-listed Controlled Entity are issued, be deemed to be a reference to the then latest consolidated audited accounts of us and our Non-listed Controlled Entities adjusted to consolidate the latest audited accounts (consolidated in the case of a Non-listed Controlled Entity which itself has Controlled Entities) of such Non-listed Controlled Entity in such accounts;
 - (2) if at any relevant time in relation to us or any Non-listed Controlled Entity which itself has Non-listed Controlled Entities, no consolidated accounts are prepared and audited, total revenue, net profit or net assets of us and/or any such Non-listed Controlled Entity shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by or on behalf of us;
 - (3) if at any relevant time in relation to any Non-listed Controlled Entity, no accounts are audited, its net assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Non-listed Controlled Entity prepared for this purpose by or on behalf of us; and
 - (4) if the accounts of any Non-listed Controlled Entity (not being a Non-listed Controlled Entity referred to in proviso (1) above) are not consolidated with our accounts, then the determination of whether or not such Non-listed Controlled Entity is a Principal Controlled Entity shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with our consolidated accounts (determined on the basis of the foregoing); or
- (ii) to which is transferred all or substantially all of the assets of a Non-listed Controlled Entity which immediately prior to the transfer was a Principal Controlled Entity; provided that, with effect from such transfer, the Non-listed Controlled Entity which so transfers its assets and undertakings shall cease to be a Principal Controlled Entity (but without prejudice to paragraph

(i) above) and the Non-listed Controlled Entity to which the assets are so transferred shall become a Principal Controlled Entity.

An officers' certificate delivered to the trustee certifying in good faith as to whether or not a Controlled Entity is a Principal Controlled Entity shall be conclusive in the absence of manifest error.

"Non-listed Controlled Entities" means the Controlled Entities other than (i) any Controlled Entities with shares of common stock or other common equity interests listed on a nationally recognized stock exchange, including but not limited to the Shanghai Stock Exchange; and (ii) any Subsidiaries or Consolidated Affiliated Entities of any Controlled Entity referred to in clause (i) of this definition.

Legal Defeasance and Covenant Defeasance

The provisions of the indenture relating to legal defeasance and covenant defeasance, which are described under the heading "Description of Debt Securities—Legal Defeasance and Covenant Defeasance" in the relevant prospectus, will apply to the Notes, and in addition, we may also exercise Covenant Defeasance with respect to our obligations under the indenture and the Notes that are described under the headings "—Repurchase Upon Triggering Event" and "—Limitation on Liens" above.

No Sinking Fund

The Notes will not be subject to, nor entitled to the benefit of, any sinking fund.

Book-Entry; Delivery and Form

The Notes will be represented by one or more global notes that will be deposited with and registered in the name of DTC or its nominee for the accounts of its participants, including Euroclear Bank SA/NV ("Euroclear") as operator of the Euroclear System, and Clearstream Banking S.A. ("Clearstream"). We will not issue certificated Notes, except in the limited circumstances described below. Transfers of ownership interests in the global notes will be effected only through entries made on the books of DTC participants acting on behalf of beneficial owners. You will not receive written confirmation from DTC of your purchase. The direct or indirect participants through whom you purchased the Notes should send you written confirmations providing details of your transactions, as well as periodic statements of your holdings. The direct and indirect participants are responsible for keeping accurate account of the holdings of their customers like you. The laws of some states require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the

You, as the beneficial owner of Notes, will not receive certificates representing ownership interests in the global notes, except in the following limited circumstances: (1) DTC notifies us that it is unwilling or unable to continue as depository or if DTC ceases to be eligible under the indenture and we do not appoint a successor depository within 90 days; (2) we determine that the Notes will no longer be represented by global notes and execute and deliver to the trustee an officers' certificate to such effect; or (3) an event of default with respect to the Notes will have occurred and be continuing. These certificated Notes will be registered in such name or names as DTC will instruct the trustee and the agents. It is expected that such instructions may be based upon directions received by DTC from participants with respect to ownership of beneficial interests in global notes.

So long as DTC or its nominee is the registered owner and holder of the global notes, DTC or its nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by the global notes for all purposes under the indenture relating to the Notes. Except as provided above, you, as the beneficial owner of interests in the global notes, will not be entitled to have Notes registered in your name, will not receive or be entitled to receive physical delivery of Notes in definitive form and will not be considered the owner or holder thereof under the indenture. Accordingly, you, as the beneficial owner, must rely on the procedures of DTC and, if you are not a DTC participant, on the procedures of the DTC participants through which you own your interest, to exercise any rights of a holder under the indenture.

Neither we, the trustee, nor any other agent of ours or agent of the trustee will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in global notes or for maintaining, supervising or reviewing any records relating to the beneficial ownership interests. DTC's practice is to credit the accounts of DTC's direct participants with payment in amounts proportionate to their respective holdings in principal amount of beneficial interest in a security as shown on the records of DTC, unless DTC has reason to believe that it will not receive payment on the payment date. The underwriters will initially designate the accounts to be credited. Beneficial owners may experience delays in

receiving distributions on their Notes because distributions will initially be made to DTC and they must be transferred through the chain of intermediaries to the beneficial owner's account. Payments by DTC participants to you will be the responsibility of the DTC participant and not of DTC, the trustee or us. Accordingly, we and any paying agent will have no responsibility or liability for: any aspect of DTC's records relating to, or payments made on account of, beneficial ownership interests in the Notes represented by a global securities certificate; any other aspect of the relationship between DTC and its participants or the relationship between those participants and the owners of beneficial interests in a global securities certificate held through those participants; or the maintenance, supervision or review of any of DTC's records relating to those beneficial ownership interests.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

We have been informed that, under DTC's existing practices, if we request any action of holders of senior notes, or an owner of a beneficial interest in a global security such as you desires to take any action which a holder of the Notes is entitled to take under the indenture, DTC would authorize the direct participants holding the relevant beneficial interests to take such action, and those direct participants and any indirect participants would authorize beneficial owners owning through those direct and indirect participants to take such action or would otherwise act upon the instructions of beneficial owners owning through them.

Clearstream and Euroclear have provided us with the following information:

Clearstream

Clearstream is incorporated under the laws of Luxembourg as a professional depository. Clearstream holds securities for its participating organizations and facilitates the clearance and settlement of securities transactions between Clearstream participants through electronic book-entry changes in accounts of Clearstream participants, thereby eliminating the need for physical movement of certificates. Clearstream provides to Clearstream participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream interfaces with domestic securities markets in several countries. As a professional depository, Clearstream is subject to regulation by the Luxembourg Commission for the Supervision of the Financial Sector (Commission de Surveillance du Secteur Financier). Clearstream participants include underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the underwriters. Clearstream's U.S. participants are limited to securities brokers and dealers and banks. Indirect access to Clearstream is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream participant either directly or indirectly.

Distributions with respect to the Notes held beneficially through Clearstream will be credited to cash accounts of Clearstream participants in accordance with its rules and procedures, to the extent received by the U.S. depository for Clearstream.

Euroclear

Euroclear was created in 1968 to hold securities for participants of Euroclear and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear performs various other services, including securities lending and borrowing and interacts with domestic markets in several countries. Euroclear is operated by Euroclear Bank SA/NV under contract with Euroclear plc, a U.K. corporation. All operations are conducted by the Euroclear operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear operator, not Euroclear plc. Euroclear plc establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants include banks, including central banks, securities brokers and dealers and other professional financial intermediaries and may include the underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

The Euroclear operator is a Belgian bank. As such it is regulated by the Belgian Banking and Finance Commission.

Securities clearance accounts and cash accounts with the Euroclear operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the “Terms and Conditions”). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific clearance accounts. The Euroclear operator acts under the Terms and Conditions only on behalf of Euroclear participants and has no record of or relationship with persons holding through Euroclear participants.

Distributions with respect to the Notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear participants in accordance with the Terms and Conditions, to the extent received by the U.S. depository for Euroclear.

Euroclear has further advised us that investors who acquire, hold and transfer interests in the Notes by book-entry through accounts with the Euroclear operator or any other securities intermediary are subject to the laws and contractual provisions governing their relationship with their intermediary, as well as the laws and contractual provisions governing the relationship between such an intermediary and each other intermediary, if any, standing between themselves and the global securities certificates.

Global Clearance and Settlement Procedures

Initial settlement for the Notes will be made in immediately available funds. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled in immediately available funds using DTC’s Same Day Funds Settlement System. Secondary market trading between Clearstream participants and/or Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear and will be settled using the procedures applicable to conventional eurobonds in immediately available funds.

Cross market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream participants or Euroclear participants, on the other, will be effected through DTC in accordance with DTC rules on behalf of the relevant European international clearing system by its U.S. depository; however, such cross market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its U.S. depository to take action to effect final settlement on its behalf by delivering or receiving Notes through DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Clearstream participants and Euroclear participants may not deliver instructions directly to their respective U.S. depositories.

Because of time zone differences, credits of the Notes received through Clearstream or Euroclear as a result of a transaction with a DTC participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Such credits or any transactions in such Notes settled during such processing will be reported to the relevant Euroclear participants or Clearstream participants on such business day. Cash received in Clearstream or Euroclear as a result of sales of the Notes by or through a Clearstream participant or a Euroclear participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream or Euroclear cash account only as of the business day following settlement in DTC.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of Notes among participants of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be modified or discontinued at any time. Neither we nor the paying agent will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective direct or indirect participants of their obligations under the rules and procedures governing their operations.

Description of American Depositary Shares (Items 12.D.1 and 12.D.2 of Form 20-F)

The name of the depository is JPMorgan Chase Bank, N.A. The depository’s office is located at 383 Madison Avenue, Floor 11, New York, NY 10179.

Each ADS will represent an ownership interest of one Class A ordinary share, deposited with the custodian, as agent of the depository. Each ADS will also represent any securities, cash or other property deposited with the depository but which they have not distributed directly to you.

You, as an ADS holder, may hold ADSs either directly or indirectly through your broker or other financial institution. If you hold ADSs directly, by having an ADS registered in your name on the books of the depository, you are an ADR holder. This description assumes you hold your ADSs directly. If you hold the ADSs through your broker or financial institution nominee, you must rely on the procedures of such broker or financial institution to assert the rights of an ADR holder described in this section. You should consult with your broker or financial institution to find out what those procedures are.

As an ADR holder, we will not treat you as a shareholder of ours and you will not have any shareholder rights. Cayman Island law governs shareholder rights. Because the depository or its nominee will be the shareholder of record for the shares represented by all outstanding ADSs, shareholder rights rest with such record holder. Your rights are those of an ADR holder. Such rights derive from the terms of the deposit agreement to be entered into between us, the depository and all registered holders from time to time of ADSs issued under the deposit agreement. The obligations of the depository and its agents are also set out in the deposit agreement. Because the depository or its nominee will actually be the registered owner of the shares, you must rely on it to exercise the rights of a shareholder on your behalf. The deposit agreement and the ADSs are governed by New York law.

The following is a summary of the material provisions of the deposit agreement. For more complete information, you should read the entire deposit agreement and the form of American Depositary Receipt. This summary does not purport to be complete and is subject to and qualified in its entirety by our Form F-6 filed on April 4, 2014 (Commission file No. 333-195072), as amended, which is incorporated herein by reference, including the exhibits thereto. For directions on how to obtain copies of those documents, see “Item 10.H. Additional Information—Documents on Display” of the Form 20-F.

Share Dividends and Other Distributions

How will I receive dividends and other distributions on the shares underlying my ADSs?

We may make various types of distributions with respect to our securities. Cash distributions will be made in U.S. dollars. The depository has agreed that, to the extent practicable, it will pay you the cash dividends or other distributions it or the custodian receives on shares or other deposited securities, after converting any cash received into U.S. dollars (if it determines such conversion may be made on a reasonable basis) and, in all cases, making any necessary deductions provided for in the deposit agreement. The depository may utilize a division, branch or affiliate of JPMorgan Chase Bank, N.A. to direct, manage and/or execute any public and/or private sale of securities under the deposit agreement. Such division, branch and/or affiliate may charge the depository a fee in connection with such sales, which fee is considered an expense of the depository. You will receive these distributions in proportion to the number of underlying securities that your ADSs represent.

Except as stated below, the depository will deliver such distributions to ADR holders in proportion to their interests in the following manner:

- *Cash.* The depository will distribute any U.S. dollars available to it resulting from a cash dividend or other cash distribution or the net proceeds of sales of any other distribution or portion thereof (to the extent applicable), on an averaged or other practicable basis, subject to (i) appropriate adjustments for taxes withheld, (ii) such distribution being impermissible or impracticable with respect to certain registered ADR holders, and (iii) deduction of the depository’s and/or its agents’ expenses in (1) converting any foreign currency to U.S. dollars to the extent that it determines that such conversion may be made on a reasonable basis, (2) transferring foreign currency or U.S. dollars to the United States by such means as the depository may determine to the extent that it determines that such transfer may be made on a reasonable basis, (3) obtaining any approval or license of any governmental authority required for such conversion or transfer that is obtainable at a reasonable cost and within a reasonable time and (4) making any sale by public or private means in any commercially reasonable manner. If exchange rates fluctuate during a time when the depository cannot convert a foreign currency, you may lose some or all of the value of the distribution.
- *Shares.* In the case of a distribution in shares, the depository will issue additional ADRs to evidence the number of ADSs representing such shares. Only whole ADSs will be issued. Any shares which

would result in fractional ADSs will be sold and the net proceeds will be distributed in the same manner as cash to the ADR holders entitled thereto.

- *Rights to receive additional shares.* In the case of a distribution of rights to subscribe for additional shares or other rights, if we timely provide evidence satisfactory to the depository that it may lawfully distribute such rights, the depository will distribute warrants or other instruments in the discretion of the depository representing such rights. However, if we do not timely furnish such evidence, the depository may:
 - sell such rights if practicable and distribute the net proceeds in the same manner as cash to the ADR holders entitled thereto; or
 - if it is not practicable to sell such rights, do nothing and allow such rights to lapse, in which case ADR holders will receive nothing.

We have no obligation to file a registration statement under the Securities Act in order to make any rights available to ADR holders.

- *Other Distributions.* In the case of a distribution of securities or property other than those described above, the depository may either (i) distribute such securities or property in any manner it deems equitable and practicable or (ii) to the extent the depository deems distribution of such securities or property not to be equitable and practicable, sell such securities or property and distribute any net proceeds in the same way it distributes cash.
- *Elective Distributions.* In the case of a dividend payable at the election of our shareholders in cash or in additional shares, we will notify the depository at least 30 days prior to the proposed distribution stating whether or not we wish such elective distribution to be made available to ADR holders. The depository shall make such elective distribution available to ADR holders only if (i) we shall have timely requested that the elective distribution be available to ADR holders, (ii) the depository shall have determined that such distribution is reasonably practicable and (iii) the depository shall have received satisfactory documentation within the terms of the deposit agreement including any legal opinions of counsel that the depository in its reasonable discretion may request. If the above conditions are not satisfied, the depository shall, to the extent permitted by law, distribute to the ADR holders, on the basis of the same determination as is made in the local market in respect of the shares for which no election is made, either (x) cash or (y) additional ADSs representing such additional shares. If the above conditions are satisfied, the depository shall establish procedures to enable ADR holders to elect the receipt of the proposed dividend in cash or in additional ADSs. There can be no assurance that ADR holders generally, or any ADR holder in particular, will be given the opportunity to receive elective distributions on the same terms and conditions as the holders of shares.

If the depository determines in its discretion that any distribution described above is not practicable with respect to any specific registered ADR holder, the depository may choose any method of distribution that it deems practicable for such ADR holder, including the distribution of foreign currency, securities or property, or it may retain such items, without paying interest on or investing them, on behalf of the ADR holder as deposited securities, in which case the ADSs will also represent the retained items.

Any U.S. dollars will be distributed by checks drawn on a bank in the United States for whole dollars and cents. Fractional cents will be withheld without liability and dealt with by the depository in accordance with its then current practices.

The depository is not responsible if it decides that it is unlawful or not reasonably practicable to make a distribution available to any ADR holders.

There can be no assurance that the depository will be able to convert any currency at a specified exchange rate or sell any property, rights, shares or other securities at a specified price, nor that any of such transactions can be completed within a specified time period.

Deposit, Withdrawal and Cancellation

How does the depositary issue ADSs?

The depositary will issue ADSs if you or your broker deposit shares or evidence of rights to receive shares with the custodian and pay the fees and expenses owing to the depositary in connection with such issuance. In the case of the ADSs issued under our prospectus, we will arrange to have the shares deposited.

Shares deposited in the future with the custodian must be accompanied by certain delivery documentation and shall, at the time of such deposit, be registered in the name of JPMorgan Chase Bank, N.A., as depositary for the benefit of holders of ADRs or in such other name as the depositary shall direct.

The custodian will hold all deposited shares (including those being deposited by or on our behalf in connection with the offering to which our prospectus relates) for the account of the depositary. ADR holders thus have no direct ownership interest in the shares and only have such rights as are contained in the deposit agreement. The custodian will also hold any additional securities, property and cash received on or in substitution for the deposited shares. The deposited shares and any such additional items are referred to as “deposited securities”.

Upon each deposit of shares, receipt of related delivery documentation and compliance with the other provisions of the deposit agreement, including the payment of the fees and charges of the depositary and any taxes or other fees or charges owing, the depositary will issue an ADR or ADRs in the name or upon the order of the person entitled thereto evidencing the number of ADSs to which such person is entitled. All of the ADSs issued will, unless specifically requested to the contrary, be part of the depositary’s direct registration system, and a registered holder will receive periodic statements from the depositary which will show the number of ADSs registered in such holder’s name. An ADR holder can request that the ADSs not be held through the depositary’s direct registration system and that a certificated ADR be issued.

How do ADR holders cancel an ADS and obtain deposited securities?

When you turn in your ADR certificate at the depositary’s office, or when you provide proper instructions and documentation in the case of direct registration ADSs, the depositary will, upon payment of certain applicable fees, charges and taxes, deliver the underlying shares to you or upon your written order. Delivery of deposited securities in certificated form will be made at the custodian’s office. At your risk, expense and request, the depositary may deliver deposited securities at such other place as you may request.

The depositary may only restrict the withdrawal of deposited securities in connection with:

- temporary delays caused by closing our transfer books or those of the depositary or the deposit of shares in connection with voting at a shareholders’ meeting, or the payment of dividends;
- the payment of fees, taxes and similar charges; or
- compliance with any U.S. or foreign laws or governmental regulations relating to the ADRs or to the withdrawal of deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

Record Dates

The depositary may, after consultation with us if practicable, fix record dates for the determination of the registered ADR holders who will be entitled (or obligated, as the case may be):

- to receive any distribution on or in respect of shares,
- to give instructions for the exercise of voting rights at a meeting of holders of shares,
- to pay the fee assessed by the depositary for administration of the ADR program and for any expenses as provided for in the ADR, or
- to receive any notice or to act in respect of other matters,

all subject to the provisions of the deposit agreement.

Voting Rights

How do I vote?

If you are an ADR holder and the depositary asks you to provide it with voting instructions, you may instruct the depositary how to exercise the voting rights for the shares which underlie your ADSs. As soon as practicable after receiving notice of any meeting or solicitation of consents or proxies from us, the depositary will distribute to the registered ADR holders a notice stating such information as is contained in the voting materials received by the depositary and describing how you may instruct the depositary to exercise the voting rights for the shares which underlie your ADSs, including instructions for giving a discretionary proxy to a person designated by us. For instructions to be valid, the depositary must receive them in the manner and on or before the date specified.

The depositary will try, as far as is practical, subject to the provisions of and governing the underlying shares or other deposited securities, to vote or to have its agents vote the shares or other deposited securities as you instruct.

Under the deposit agreement for the ADSs, if you do not vote, the depositary will give us a discretionary proxy to vote our ordinary shares underlying your ADSs at shareholders' meetings unless:

- we have instructed the depositary that we do not wish a discretionary proxy to be given;
- we have informed the depositary that there is substantial opposition as to a matter to be voted on at the meeting;
- a matter to be voted on at the meeting would have a material adverse impact on shareholders; or
- the voting at the meeting is to be made on a show of hands.

Holders are strongly encouraged to forward their voting instructions to the depositary as soon as possible. Voting instructions will not be deemed to be received until such time as the ADR department responsible for proxies and voting has received such instructions, notwithstanding that such instructions may have been physically received by the depositary prior to such time. The depositary will not itself exercise any voting discretion. Furthermore, neither the depositary nor its agents are responsible for any failure to carry out any voting instructions, for the manner in which any vote is cast or for the effect of any vote. Notwithstanding anything contained in the deposit agreement or any ADR, the depositary may, to the extent not prohibited by law or regulations, or by the requirements of the stock exchange on which the ADSs are listed, in lieu of distribution of the materials provided to the depositary in connection with any meeting of, or solicitation of consents or proxies from, holders of deposited securities, distribute to the registered holders of ADRs a notice that provides such holders with, or otherwise publicizes to such holders, instructions on how to retrieve such materials or receive such materials upon request (for example, by reference to a website containing the materials for retrieval or a contact for requesting copies of the materials).

We have advised the depositary that under the Cayman Islands law and our constituent documents, each as in effect as of the date of the deposit agreement, voting at any meeting of shareholders is by show of hands unless a poll is (before or on the declaration of the results of the show of hands) demanded. In the event that voting on any resolution or matter is conducted on a show of hands basis in accordance with our constituent documents, the depositary will instruct the custodian to vote all deposited securities in accordance with the voting instructions received from a majority of holders of ADSs who provided voting instructions. The depositary will not demand a poll or join in demanding a poll, whether or not requested to do so by holders of ADSs. There is no guarantee that you will receive voting materials in time to instruct the depositary to vote and it is possible that you, or persons who hold their ADSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote.

Reports and Other Communications

Will ADR holders be able to view our reports?

The depositary will make available for inspection by ADR holders at the offices of the depositary and the custodian the deposit agreement, the provisions of or governing deposited securities, and any written communications from us which are both received by the custodian or its nominee as a holder of deposited securities and made generally available to the holders of deposited securities.

Additionally, if we make any written communications generally available to holders of our shares, and we furnish copies thereof (or English translations or summaries) to the depositary, it will distribute the same to registered ADR holders.

Reclassifications, Recapitalizations and Mergers

If we take certain actions that affect the deposited securities, including (i) any change in par value, split-up, consolidation, cancellation or other reclassification of deposited securities or (ii) any distributions of shares or other property not made to holders of ADRs or (iii) any recapitalization, reorganization, merger, consolidation, liquidation, receivership, bankruptcy or sale of all or substantially all of our assets, then the depositary may choose, and shall if reasonably requested by us choose:

- to amend the form of ADR;
- to distribute additional or amended ADRs;
- to distribute cash, securities or other property it has received in connection with such actions;
- to sell any securities or property received and distribute the proceeds as cash; or
- to do none of the above.

If the depositary chooses to do none of the above, any of the cash, securities or other property it receives will constitute part of the deposited securities and each ADS will then represent a proportionate interest in such property.

Amendment and Termination

How may the deposit agreement be amended?

We may agree with the depositary to amend the deposit agreement and the ADSs without your consent for any reason. ADR holders must be given at least 30 days' notice of any amendment that imposes or increases any fees or charges (other than stock transfer or other taxes and other governmental charges, transfer or registration fees, cable, telex or facsimile transmission costs, delivery costs or other such expenses), or otherwise prejudices any substantial existing right of ADR holders. Such notice need not describe in detail the specific amendments effectuated thereby, but must identify to ADR holders a means to access the text of such amendment. If an ADR holder continues to hold an ADR or ADRs after being so notified, such ADR holder is deemed to agree to such amendment and to be bound by the deposit agreement as so amended. Notwithstanding the foregoing, if any governmental body or regulatory body should adopt new laws, rules or regulations which would require amendment or supplement of the deposit agreement or the form of ADR to ensure compliance therewith, we and the depositary may amend or supplement the deposit agreement and the ADR at any time in accordance with such changed laws, rules or regulations, which amendment or supplement may take effect before a notice is given or within any other period of time as required for compliance. No amendment, however, will impair your right to surrender your ADSs and receive the underlying securities, except in order to comply with mandatory provisions of applicable law.

How may the deposit agreement be terminated?

The depositary may, and shall at our written direction, terminate the deposit agreement and the ADRs by mailing notice of such termination to the registered holders of ADRs at least 30 days prior to the date fixed in such notice for such termination; provided, however, if the depositary shall have (i) resigned as depositary under the deposit agreement, notice of such termination by the depositary shall not be provided to registered holders unless a successor depositary shall not be operating under the deposit agreement within 60 days of the date of such resignation, and (ii) been removed as depositary under the deposit agreement, notice of such termination by the depositary shall not be provided to registered holders of ADRs unless a successor depositary shall not be operating under the deposit agreement on the 120th day after our notice of removal was first provided to the depositary. After the date so fixed for termination, (a) all Direct Registration ADRs shall cease to be eligible for the Direct Registration System and shall be considered ADRs issued on the ADR Register and (b) the depositary shall use its reasonable efforts to ensure that the ADSs cease to be DTC eligible so that neither DTC nor any of its nominees shall thereafter be a registered holder of ADRs. At such time as the ADSs cease to be DTC eligible and/or neither DTC nor any of its nominees is a registered holder of ADRs, the depositary shall (a) instruct its custodian to deliver all shares to us along with a general stock power that refers to the names set forth on the ADR

Register and (b) provide us with a copy of the ADR Register. Upon receipt of such shares and the ADR Register, we have agreed to use our best efforts to issue to each registered holder a Share certificate representing the Shares represented by the ADSs reflected on the ADR Register in such registered holder's name and to deliver such Share certificate to the registered holder at the address set forth on the ADR Register. After providing such instruction to the custodian and delivering a copy of the ADR Register to us, the depositary and its agents will perform no further acts under the Deposit Agreement and the ADRs and shall cease to have any obligations under the Deposit Agreement and/or the ADRs.

Limitations on Obligations and Liability to ADR Holders

Limits on our obligations and the obligations of the depositary; limits on liability to ADR holders and holders of ADSs

Prior to the issue, registration, registration of transfer, split-up, combination, or cancellation of any ADRs, or the delivery of any distribution in respect thereof, and from time to time in the case of the production of proofs as described below, we or the depositary or its custodian may require:

- payment with respect thereto of (i) any stock transfer or other tax or other governmental charge, (ii) any stock transfer or registration fees in effect for the registration of transfers of shares or other deposited securities upon any applicable register and (iii) any applicable fees and expenses described in the deposit agreement;
- the production of proof satisfactory to it of (i) the identity of any signatory and genuineness of any signature and (ii) such other information, including without limitation, information as to citizenship, residence, exchange control approval, beneficial ownership of any securities, compliance with applicable law, regulations, provisions of or governing deposited securities and terms of the deposit agreement and the ADRs, as it may deem necessary or proper; and
- compliance with such regulations as the depositary may establish consistent with the deposit agreement.

The issuance of ADRs, the acceptance of deposits of shares, the registration, registration of transfer, split-up or combination of ADRs or the withdrawal of shares, may be suspended, generally or in particular instances, when the ADR register or any register for deposited securities is closed or when any such action is deemed advisable by the depositary; provided that the ability to withdraw shares may only be limited under the following circumstances: (i) temporary delays caused by closing transfer books of the depositary or our transfer books or the deposit of shares in connection with voting at a shareholders' meeting, or the payment of dividends, (ii) the payment of fees, taxes, and similar charges, and (iii) compliance with any laws or governmental regulations relating to ADRs or to the withdrawal of deposited securities.

The deposit agreement expressly limits the obligations and liability of the depositary, ourselves and our respective agents, provided, however, that no such disclaimer of liability under the Securities Act is intended by any of the limitations of liabilities provisions of the deposit agreement. In the deposit agreement it provides that neither we nor the depositary nor any such agent will be liable if:

- any present or future law, rule, regulation, fiat, order or decree of the United States, the Cayman Islands, the People's Republic of China or any other country, or of any governmental or regulatory authority or securities exchange or market or automated quotation system, the provisions of or governing any deposited securities, any present or future provision of the depositary's charter, any act of God, war, terrorism, nationalization or other circumstance beyond our, the depositary's or our respective agents' control shall prevent or delay, or shall cause any of them to be subject to any civil or criminal penalty in connection with, any act which the deposit agreement or the ADRs provide shall be done or performed by us, the depositary or our respective agents (including, without limitation, voting);
- the depositary exercises or fails to exercise discretion under the deposit agreement or the ADR including, without limitation, any failure to determine that any distribution or action may be lawful or reasonably practicable;
- the depositary performs its obligations under the deposit agreement and ADRs without gross negligence or willful misconduct;

- the depositary takes any action or refrains from taking any action in reliance upon the advice of or information from legal counsel, accountants, any person presenting shares for deposit, any registered holder of ADRs, or any other person believed by it to be competent to give such advice or information; or
- the depositary relies upon any written notice, request, direction, instruction or document believed by it to be genuine and to have been signed, presented or given by the proper party or parties.

Neither the depositary nor its agents have any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities or the ADRs. We shall only be obligated to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities or the ADRs, which in our opinion may involve us in expense or liability, if indemnity satisfactory to us against all expense (including fees and disbursements of counsel) and liability is furnished as often as may be required. The depositary and its agents may fully respond to any and all demands or requests for information maintained by or on its behalf in connection with the deposit agreement, any registered holder or holders of ADRs, any ADRs or otherwise related to the deposit agreement or ADRs to the extent such information is requested or required by or pursuant to any lawful authority, including without limitation laws, rules, regulations, administrative or judicial process, banking, securities or other regulators. The depositary shall not be liable for the acts or omissions made by, or the insolvency of, any securities depository, clearing agency or settlement system. Furthermore, the depositary shall not be responsible for, and shall incur no liability in connection with or arising from, the insolvency of any custodian that is not a branch or affiliate of JPMorgan Chase Bank, N.A. Notwithstanding anything to the contrary contained in the deposit agreement or any ADRs, the depositary shall not be responsible for, and shall incur no liability in connection with or arising from, any act or omission to act on the part of the custodian except to the extent that the custodian committed fraud or willful misconduct in the provision of custodial services to the depositary or failed to use reasonable care in the provision of custodial services to the depositary as determined in accordance with the standards prevailing in the jurisdiction in which the custodian is located. The depositary and the custodian(s) may use third party delivery services and providers of information regarding matters such as pricing, proxy voting, corporate actions, class action litigation and other services in connection with the ADRs and the deposit agreement, and use local agents to provide extraordinary services such as attendance at annual meetings of issuers of securities. Although the depositary and the custodian will use reasonable care (and cause their agents to use reasonable care) in the selection and retention of such third party providers and local agents, they will not be responsible for any errors or omissions made by them in providing the relevant information or services. The depositary shall not have any liability for the price received in connection with any sale of securities, the timing thereof or any delay in action or omission to act nor shall it be responsible for any error or delay in action, omission to act, default or negligence on the part of the party so retained in connection with any such sale or proposed sale.

The depositary has no obligation to inform ADR holders or other holders of an interest in any ADSs about the requirements of Cayman Islands or People's Republic of China law, rules or regulations or any changes therein or thereto.

Additionally, none of us, the depositary or the custodian shall be liable for the failure by any registered holder of ADRs or beneficial owner therein to obtain the benefits of credits on the basis of non-U.S. tax paid against such holder's or beneficial owner's income tax liability. Neither we nor the depositary shall incur any liability for any tax consequences that may be incurred by holders or beneficial owners on account of their ownership of ADRs or ADSs.

Neither the depositary nor its agents will be responsible for any failure to carry out any instructions to vote any of the deposited securities, for the manner in which any such vote is cast or for the effect of any such vote. The depositary may rely upon instructions from us or our counsel in respect of any approval or license required for any currency conversion, transfer or distribution. The depositary shall not incur any liability for the content of any information submitted to it by us or on our behalf for distribution to ADR holders or for any inaccuracy of any translation thereof, for any investment risk associated with acquiring an interest in the deposited securities, for the validity or worth of the deposited securities, for the credit-worthiness of any third party, for allowing any rights to lapse upon the terms of the deposit agreement or for the failure or timeliness of any notice from us. The depositary shall not be liable for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the depositary or in connection with any matter arising wholly after the removal or resignation of the depositary, provided that in connection with the issue out of which such potential liability arises the depositary performed its obligations without negligence while it acted as depositary. Neither the depositary nor any of its agents shall be liable to registered holders of ADRs or beneficial owners of interests in ADSs for any indirect, special, punitive or consequential damages (including, without limitation, lost profits)

of any form incurred by any person or entity, whether or not foreseeable and regardless of the type of action in which such a claim may be brought.

In the deposit agreement each party thereto (including, for avoidance of doubt, each holder and beneficial owner and/or holder of interests in ADRs) irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any suit, action or proceeding against the depository and/or us directly or indirectly arising out of or relating to the shares or other deposited securities, the ADSs or the ADRs, the deposit agreement or any transaction contemplated therein, or the breach thereof (whether based on contract, tort, common law or any other theory).

The depository and its agents may own and deal in any class of our securities and in ADSs.

Conversion between ADSs and Class A Ordinary Shares (Item 12.D.1 and 12.D.2 of Form 20-F)

Dealings and Settlement of Class A Ordinary Shares in Hong Kong

Our Class A ordinary shares now trade on the Hong Kong Stock Exchange in board lots of 20 ordinary shares. Dealings in our Class A ordinary shares on the Hong Kong Stock Exchange will be conducted in Hong Kong dollars.

The transaction costs of dealings in our Class A ordinary shares on the Hong Kong Stock Exchange include:

- (a) Hong Kong Stock Exchange trading fee of 0.005% of the consideration of the transaction, charged to each of the buyer and seller;
- (b) SFC transaction levy of 0.0027% of the consideration of the transaction, charged to each of the buyer and seller;
- (c) trading tariff of HK\$0.50 on each and every purchase or sale transaction. The decision on whether or not to pass the trading tariff onto investors is at the discretion of brokers;
- (d) transfer deed stamp duty of HK\$5.00 per transfer deed (if applicable), payable by the seller;
- (e) ad valorem stamp duty at a total rate of 0.26% of the value of the transaction, with 0.13% payable by each of the buyer and the seller;
- (f) stock settlement fee, which is currently 0.002% of the gross transaction value, subject to a minimum fee of HK\$2.00 and a maximum fee of HK\$100.00 per side per trade;
- (g) brokerage commission, which is freely negotiable with the broker (other than brokerage commissions for IPO transactions which are currently set at 1% of the subscription or purchase price and will be payable by the person subscribing for or purchasing the securities); and
- (h) the Hong Kong share registrar will charge between HK\$2.50 to HK\$20, depending on the speed of service (or such higher fee as may from time to time be permitted under the Hong Kong Listing Rules), for each transfer of ordinary shares from one registered owner to another, each share certificate canceled or issued by it and any applicable fee as stated in the share transfer forms used in Hong Kong.

Investors must settle their trades executed on the Hong Kong Stock Exchange through their brokers directly or through custodians. For an investor who has deposited his/her Class A ordinary shares in his/her stock account or in his/her designated CCASS participant's stock account maintained with CCASS, settlement will be effected in CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. For an investor who holds the physical certificates, settlement certificates and the duly executed transfer forms must be delivered to his/her broker or custodian before the settlement date.

Conversion between Class A Ordinary Shares Trading in Hong Kong and ADSs

In connection with the initial public offering of our Class A ordinary shares in Hong Kong, or the Hong Kong Public Offering, we have established a branch register of members in Hong Kong, or the Hong Kong share register, which is maintained by our Hong Kong Share Registrar, Computershare Hong Kong Investor Services

Limited. Our principal register of members, or the Cayman share register, continues to be maintained by our Principal Share Registrar, Global Incorporation Centre Limited, in the Cayman Islands.

All Class A ordinary shares offered in the Global Offering have been registered on the Hong Kong share register in order to be listed and traded on the Hong Kong Stock Exchange. As described in further detail below, holders of Class A ordinary shares registered on the Hong Kong share register will be able to convert these shares into ADSs, and vice versa.

In connection with the Hong Kong Public Offering, and to facilitate fungibility and conversion between ADSs and Class A ordinary shares and trading between Nasdaq and the Hong Kong Stock Exchange, we have moved a portion of our issued Class A ordinary shares from our register of members maintained in the Cayman Islands to our Hong Kong share register.

Following the listing of our Class A ordinary shares on the Hong Kong Stock Exchange, all deposits of Class A ordinary shares for the issuance of ADSs and all withdrawals of Class A ordinary shares upon the cancellation of ADSs will be in the form of Class A ordinary shares registered on our Hong Kong share register and all corporate actions with respect thereto will be processed via the depository's custodian account at CCASS, subject to the rules and procedures applicable to CCASS — eligible securities, subject, in each case, to certain exceptions described below and provided that the foregoing shall not apply to certain of our restricted Class A ordinary shares and Class A ordinary shares as determined by the Company and the depository, which will be via our Principal Register in the Cayman Islands.

Our ADSs

Our ADSs are currently traded on the Nasdaq. Dealings in our ADSs on the Nasdaq are conducted in U.S. Dollars.

ADSs may be held either:

- (a) directly, by having an ADR in physical certificated form registered in his or her name,
- (b) indirectly, through a brokerage or safekeeping account, or
- (c) by holding a "Direct Registration ADR" in book-entry form through a participant, or a broker's participant, in the "Direct Registration System," the system established by the Depository Trust Company ("DTC") for the uncertificated registration of ownership of securities utilized by the depository to record the ownership of ADRs without the issuance of certificates, in which case the ownership is evidenced by periodic statements issued by the Depository to the holders of ADRs entitled thereto.

If an owner of ADSs decides to hold his or her ADSs through his or her brokerage or safekeeping account, he or she must rely on the procedures of his or her broker or bank to assert his or her rights as ADS owner. Banks and brokers typically hold securities such as the ADSs through participants in the DTC clearing and settlement system. ADSs held through DTC will be registered in the name of a nominee of DTC directly, by having a certificated ADS, or an American Depositary Receipt (ADR), registered in the holder's name, or by holding in the direct registration system, pursuant to which the depository may register the ownership of uncertificated ADSs, which ownership shall be evidenced by periodic statements issued by the depository to the ADS holders entitled thereto.

The depository for our ADSs is JPMorgan Chase Bank, N.A., whose office is located at 383 Madison Avenue, Floor 11, New York, New York 10179, United States of America.

Converting Class A Ordinary Shares Trading in Hong Kong into ADSs

An investor who holds Class A ordinary shares registered in Hong Kong and who intends to convert them to ADSs to trade on the Nasdaq must deposit or have his or her broker deposit the Class A ordinary shares with the depository's Hong Kong custodian, JPMorgan Chase Bank, N.A., Hong Kong Branch, or the custodian, in exchange for ADSs.

A deposit of Class A ordinary shares trading in Hong Kong in exchange for ADSs involves the following procedures:

- (a) If Class A ordinary shares have been deposited with CCASS, the investor must transfer Class A ordinary shares to the depository's account with the custodian within CCASS by following the CCASS procedures for transfer and submit and deliver a duly completed and signed letter of transmittal to the custodian via his or her broker.
- (b) If Class A ordinary shares are held outside CCASS, the investor must arrange to deposit his or her Class A ordinary shares into CCASS for delivery to the depository's account with the custodian within CCASS, submit and deliver a duly completed and signed letter of transmittal to the custodian via his or her broker.
- (c) Upon payment of its fees and expenses, payment or net of the Depository's fees and expenses, and payment of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, if applicable, and subject in all cases to the terms of the deposit agreement, the depository will issue the corresponding number of ADSs in the name(s) requested by an investor and will deliver the ADSs to the designated DTC account of the person(s) designated by an investor or his or her broker if such ADSs are to be held in book-entry form through DTC's "Direct Registration System."

For Class A ordinary shares deposited in CCASS, under normal circumstances, the above steps generally require two business days. For Class A ordinary shares held outside CCASS in physical form, the above steps may take 14 business days, or more, to complete. Temporary delays may arise. For example, the transfer books of the depository may from time to time be closed to ADS issuances. The investor will be unable to trade the ADSs until the procedures are completed.

Converting ADSs to Class A Ordinary Shares Trading in Hong Kong

An investor who holds ADSs and who intends to convert his/her ADSs into Class A ordinary shares to trade on the Hong Kong Stock Exchange must cancel the ADSs the investor holds and withdraw Class A ordinary shares from our ADS program and cause his or her broker or other financial institution to trade such Class A ordinary shares on the Hong Kong Stock Exchange.

An investor that holds ADSs indirectly through a broker should follow the broker's procedure and instruct the broker to arrange for cancellation of the ADSs, and transfer of the underlying Class A ordinary shares from the depository's account with the custodian within the CCASS system to the investor's Hong Kong stock account.

For investors holding ADSs directly, the following steps must be taken:

- (a) To withdraw Class A ordinary shares from our ADS program, an investor who holds ADSs may turn in such ADSs at the office of the depository (and the applicable ADR(s) if the ADSs are held in certificated form), and send an instruction to cancel such ADSs to the depository.
- (b) Upon payment or net of its fees and expenses, payment of CCASS' fees and expenses, and payment of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, if applicable, and subject in all cases to the terms of the deposit agreement, the depository will instruct the custodian to deliver Class A ordinary shares underlying the canceled ADSs to the CCASS account designated by an investor.
- (c) If an investor prefers to receive Class A ordinary shares outside CCASS, he or she must receive ordinary shares in CCASS first and then arrange for withdrawal from CCASS. Investors can then obtain a transfer form signed by HKSCC Nominees Limited (as the transferor) and register Class A ordinary shares in their own names with the Hong Kong share registrar.

For Class A ordinary shares to be received in CCASS, under normal circumstances, the above steps generally require two business days. For Class A ordinary shares to be received outside CCASS in physical form, the above steps may take 14 business days, or more, to complete. The investor will be unable to trade the Class A ordinary shares on the Hong Kong Stock Exchange until the procedures are completed.

Temporary delays may arise. For example, the transfer books of the depository may from time to time be closed to ADS cancellations. In addition, completion of the above steps and procedures is subject to there being a sufficient number of Class A ordinary shares on the Hong Kong share register to facilitate a withdrawal from

the ADS program directly into the CCASS system. We are not under any obligation to maintain or increase the number of Class A ordinary shares on the Hong Kong share register to facilitate such withdrawals.

Depository Requirements

Before the depository issues ADSs or permits withdrawal of Class A ordinary shares, the depository may require:

- (a) payment of all amounts required pursuant to the deposit agreement, including the issuance and cancellation fees therein, any stock transfer or other tax or other governmental charges and any stock transfer or registration fees in effect;
- (b) production of satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and
- (c) compliance with procedures it may establish, from time to time, consistent with the deposit agreement, including, but not limited to, presentation of transfer documents.

The depository may refuse to deliver, transfer, or register issuances, transfers and cancellations of ADSs generally when the transfer books of the depository or our Hong Kong share registrar are closed or at any time if the depository or we determine it advisable to do so.

All costs attributable to the transfer of Class A ordinary shares to effect a withdrawal from or deposit of Class A ordinary shares into our ADS program will be borne by the investor requesting the transfer. In particular, holders of Class A ordinary shares and ADSs should note that the Hong Kong share registrar will charge between HK\$2.50 to HK\$20, depending on the speed of service (or such higher fee as may from time to time be permitted under the Hong Kong Listing Rules), for each transfer of ordinary shares from one registered owner to another, each share certificate canceled or issued by it and any applicable fee as stated in the share transfer forms used in Hong Kong. In addition, holders of ordinary shares and ADSs must pay up to US\$5.00 (or less) per 100 ADSs for each issuance of ADSs and each cancellation of ADSs, as the case may be, in connection with the deposit of Class A ordinary shares into, or withdrawal of Class A ordinary shares from, our ADS program.

WEIBO CORPORATION
2023 SHARE INCENTIVE PLAN

ARTICLE 1

PURPOSE

The purpose of the Weibo Corporation 2023 Share Incentive Plan (the “Plan”) is to promote the success and enhance the value of Weibo Corporation, a company formed under the laws of the Cayman Islands (the “Company”), by linking the personal interests of the members of the Board, Employees, Consultants and other individuals as the Committee may authorize and approve, to those of the Company’s shareholders and, by providing such individuals with an incentive for outstanding performance, to generate superior returns to the Company’s shareholders. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of recipients of share incentives hereunder upon whose judgment, interest, and special effort the successful conduct of the Company’s operation is largely dependent.

ARTICLE 2

DEFINITIONS AND CONSTRUCTION

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

2.1 “Applicable Laws” means the legal requirements relating to the Plan and the Awards under applicable provisions of the corporate, securities, tax and other laws, rules, regulations and government orders, and the rules of any applicable stock exchange or national market system, of any jurisdiction applicable to Awards granted to residents therein.

2.2 “Award” means an Option, Restricted Share or Restricted Share Unit award granted to a Participant pursuant to the Plan.

2.3 “Award Agreement” means any written agreement, contract, or other instrument or document evidencing an Award, including through electronic medium.

2.4 “Award Pool” shall have the meaning set forth in Section 3.1(a).

2.5 “Board” means the board of directors of the Company.

2.6 “Cause” with respect to a Participant means (unless otherwise expressly provided in the applicable Award Agreement, or another applicable contract with the Participant that defines such term for purposes of determining the effect that a “for cause” termination has on the Participant’s Awards) a termination of employment or service based upon a finding by the

Service Recipient, acting in good faith and based on its reasonable belief at the time, that the Participant:

(a) has been negligent in the discharge of his or her duties to the Service Recipient, has refused to perform stated or assigned duties or is incompetent in or (other than by reason of a disability or analogous condition) incapable of performing those duties;

(b) has been dishonest or committed or engaged in an act of theft, embezzlement or fraud, a breach of confidentiality, an unauthorized disclosure or use of inside information, customer lists, trade secrets or other confidential information;

(c) has breached a fiduciary duty, or willfully and materially violated any other duty, law, rule, regulation or policy of the Service Recipient; or has been convicted of, or plead guilty or nolo contendere to, a felony or misdemeanor (other than minor traffic violations or similar offenses);

(d) has materially breached any of the provisions of any agreement with the Service Recipient;

(e) has engaged in unfair competition with, or otherwise acted intentionally in a manner injurious to the reputation, business or assets of, the Service Recipient; or

(f) has improperly induced a vendor or customer to break or terminate any contract with the Service Recipient or induced a principal for whom the Service Recipient acts as agent to terminate such agency relationship.

A termination for Cause shall be deemed to occur (subject to reinstatement upon a contrary final determination by the Committee) on the date on which the Service Recipient first delivers written notice to the Participant of a finding of termination for Cause.

2.7 “Code” means the Internal Revenue Code of 1986 of the United States, as amended.

2.8 “Committee” means the Board or a committee of the Board described in Article 10.

2.9 “Consultant” means any consultant or adviser if: (a) the consultant or adviser renders bona fide services to a Service Recipient; (b) the services rendered by the consultant or adviser are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company’s securities; and (c) the consultant or adviser is a natural person who has contracted directly with the Service Recipient to render such services.

2.10 “Corporate Transaction”, unless otherwise defined in an Award Agreement, means any of the following transactions, provided, however, that the Committee shall determine under (d) and (e) whether multiple transactions are related, and its determination shall be final, binding and conclusive:

(a) an amalgamation, arrangement or consolidation or scheme of arrangement (i) in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the jurisdiction in which the Company is incorporated or (ii) following which the holders of the voting securities of the Company do not continue to hold more than 50% of the combined voting power of the voting securities of the surviving entity;

(b) the sale, transfer or other disposition of all or substantially all of the assets of the Company;

(c) the complete liquidation or dissolution of the Company;

(d) any reverse takeover or series of related transactions culminating in a reverse takeover (including, but not limited to, a tender offer followed by a reverse takeover) in which the Company is the surviving entity but (A) the Company's equity securities outstanding immediately prior to such takeover are converted or exchanged by virtue of the takeover into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such takeover or the initial transaction culminating in such takeover, but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction; or

(e) acquisition in a single or series of related transactions by any person or related group of persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities but excluding any such transaction or series of related transactions that the Committee determines shall not be a Corporate Transaction.

2.11 "Disability", unless otherwise defined in an Award Agreement, means that the Participant qualifies to receive long-term disability payments under the Service Recipient's long-term disability insurance program, as it may be amended from time to time, to which the Participant provides services regardless of whether the Participant is covered by such policy. If the Service Recipient to which the Participant provides service does not have a long-term disability plan in place, "Disability" means that a Participant is unable to carry out the responsibilities and functions of the position held by the Participant by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. A Participant will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Committee in its discretion.

2.12 "Effective Date" shall have the meaning set forth in Section 11.1.

2.13 "Employee" means any person, including an officer or a member of the Board of the Company or any Parent or Subsidiary of the Company, who is in the employment of a Service Recipient, subject to the control and direction of the Service Recipient as to both the work to be performed and the manner and method of performance. The payment of a director's

fee by a Service Recipient shall not be sufficient to constitute “employment” by the Service Recipient.

2.14 “Exchange Act” means the Securities Exchange Act of 1934 of the United States, as amended.

2.15 “Fair Market Value” means, as of any date, the value of Shares determined as follows:

(a) If the Shares are listed on one or more established stock exchanges or national market systems, including without limitation, The New York Stock Exchange and The Nasdaq Stock Market, its Fair Market Value shall be the closing sales price for such shares (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the Shares are listed (as determined by the Committee) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading date such closing sales price or closing bid was reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable;

(b) If the Shares are regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, its Fair Market Value shall be the closing sales price for such shares as quoted on such system or by such securities dealer on the date of determination, but if selling prices are not reported, the Fair Market Value of a Share shall be the mean between the high bid and low asked prices for the Shares on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in The Wall Street Journal or such other source as the Committee deems reliable; or

(c) In the absence of an established market for the Shares of the type described in (a) and (b), above, the Fair Market Value thereof shall be determined by the Committee in good faith and in its discretion by reference to (i) the placing price of the latest private placement of the Shares and the development of the Company’s business operations and the general economic and market conditions since such latest private placement, (ii) other third party transactions involving the Shares and the development of the Company’s business operation and the general economic and market conditions since such sale, (iii) an independent valuation of the Shares, or (iv) such other methodologies or information as the Committee determines to be indicative of Fair Market Value and relevant.

2.16 “Fully-Diluted Equity” means, at any time, the number of Shares on an as-converted and fully-diluted equity basis, as determined pursuant to the treasury method in accordance with United States generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession that are in effect from time to time, as codified and described in FASB Statement No. 18, the FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles, and applied consistently throughout the periods involved.

2.17 “Incentive Share Option” means an Option that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

2.18 “Independent Director” means (i) before the Shares or other securities representing the Shares are listed on a stock exchange, a member of the Board who is a Non-Employee Director; and (ii) after the Shares or other securities representing the Shares are listed on a stock exchange, a member of the Board who meets the independence standards under the applicable corporate governance rules of the stock exchange.

2.19 “Non-Employee Director” means a member of the Board who qualifies as a “Non-Employee Director” as defined in Rule 16b-3(b)(3) of the Exchange Act, or any successor definition adopted by the Board.

2.20 “Non-Qualified Share Option” means an Option that is not intended to be an Incentive Share Option.

2.21 “Option” means a right granted to a Participant pursuant to Article 5 of the Plan to purchase a specified number of Shares at a specified price during specified time periods. An Option may be either an Incentive Share Option or a Non-Qualified Share Option.

2.22 “Participant” means a person who, as a member of the Board, Consultant or Employee, or other individuals as the Committee may authorize and approve, has been granted an Award pursuant to the Plan.

2.23 “Parent” means a parent corporation under Section 424(e) of the Code.

2.24 “Plan” means this Weibo Corporation 2023 Share Incentive Plan, as it may be amended from time to time.

2.25 “Related Entity” means any business, corporation, partnership, limited liability company or other entity in which the Company, a Parent or Subsidiary of the Company holds a substantial ownership interest, directly or indirectly, but which is not a Subsidiary and which the Board designates as a Related Entity for purposes of the Plan.

2.26 “Restricted Share” means a Share awarded to a Participant pursuant to Article 6 that is subject to certain restrictions and may be subject to risk of forfeiture.

2.27 “Restricted Share Unit” means the right granted to a Participant pursuant to Article 7 to receive a Share at a future date.

2.28 “Securities Act” means the Securities Act of 1933 of the United States, as amended.

2.29 “Service Recipient” means the Company, any Parent or Subsidiary of the Company and any Related Entity to which a Participant provides services as an Employee, a Consultant, or a Director.

2.30 “Share” means Class A ordinary shares of the Company, par value US\$0.00025 per share, and such other securities of the Company that may be substituted for Shares pursuant to Article 9.

2.31 “Subsidiary” means any corporation or other entity of which a majority of the outstanding voting shares or voting power is beneficially owned or controlled directly or indirectly by the Company.

2.32 “Trading Date” means the closing of the first sale to the general public of the Shares pursuant to a registration statement filed with and declared effective by the U.S. Securities and Exchange Commission under the Securities Act.

2.33 “2014 Share Incentive Plan” means the 2014 Share Incentive Plan as adopted by ordinary resolution of the Company dated March 28, 2014.

ARTICLE 3

SHARES SUBJECT TO THE PLAN

3.1 Number of Shares.

(a) Subject to the provisions of Article 9 and Section 3.1(b), the maximum aggregate number of Shares which may be issued pursuant to all Awards (including Incentive Share Options) under the Plan (the “Award Pool”) shall be the sum of (i) 10,000,000 Shares and (ii) the number of Shares reserved but unissued under the 2014 Share Incentive Plan as of February 28, 2023.

(b) To the extent that an Award terminates, expires, or lapses for any reason, any Shares subject to the Award shall again be available for the grant of an Award pursuant to the Plan. To the extent permitted by Applicable Laws, Shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form or combination by the Company or any Parent or Subsidiary of the Company shall not be counted against Shares available for grant pursuant to the Plan. Shares delivered by the Participant or withheld by the Company upon the exercise of any Award under the Plan, in payment of the exercise price thereof or tax withholding thereon, may again be optioned, granted or awarded hereunder, subject to the limitations of Section 3.1(a). If any Restricted Shares are forfeited by the Participant or repurchased by the Company, such Shares may again be optioned, granted or awarded hereunder, subject to the limitations of Section 3.1(a). Notwithstanding the provisions of this Section 3.1(b), no Shares may again be optioned, granted or awarded if such action would cause an Incentive Share Option to fail to qualify as an Incentive Share Option under Section 422 of the Code.

3.2 Shares Distributed. Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares, treasury shares (subject to Applicable Laws) or Shares purchased on the open market. Additionally, in the discretion of the Committee, American Depository Shares in an amount equal to the number of Shares which otherwise would be distributed pursuant to an Award may be distributed in lieu of Shares in settlement of any Award. If the number of Shares represented by an American Depository Share

is other than on a one-to-one basis, the limitations of Section 3.1 shall be adjusted to reflect the distribution of American Depository Shares in lieu of Shares.

ARTICLE 4

ELIGIBILITY AND PARTICIPATION

4.1 Eligibility. Those eligible to participate in this Plan include Employees, Consultants, and all members of the Board, and other individuals, as determined, authorized and approved by the Committee.

4.2 Participation. Subject to the provisions of the Plan, the Committee may, from time to time, select from among all eligible individuals, those to whom Awards shall be granted and shall determine the nature and amount of each Award. No individual shall have any right to be granted an Award pursuant to this Plan.

4.3 Jurisdictions. In order to assure the viability of Awards granted to Participants in various jurisdictions, the Committee may provide for such special terms as it may consider necessary or appropriate to accommodate differences in local law, tax policy, or custom applicable in the jurisdiction in which the Participant resides, is employed, operates or is incorporated. Moreover, the Committee may approve such supplements to, or amendments, restatements, or alternative versions of, the Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the Plan as in effect for any other purpose; *provided, however*, that no such supplements, amendments, restatements, or alternative versions shall increase the share limitations contained in Section 3.1 of the Plan. Notwithstanding the foregoing, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate any Applicable Laws.

ARTICLE 5

OPTIONS

5.1 General. The Committee is authorized to grant Options to Participants on the following terms and conditions:

(a) Exercise Price. The exercise price per Share subject to an Option shall be determined by the Committee and set forth in the Award Agreement which may be a fixed or variable price related to the Fair Market Value of the Shares. The exercise price per Share subject to an Option may be amended or adjusted in the absolute discretion of the Committee, the determination of which shall be final, binding and conclusive. For the avoidance of doubt, to the extent not prohibited by Applicable Laws or any exchange rule, a downward adjustment of the exercise prices of Options mentioned in the preceding sentence shall be effective without the approval of the Company's shareholders or the approval of the affected Participants.

(b) Time and Conditions of Exercise. The Committee shall determine the time or times at which an Option may be exercised in whole or in part, including exercise prior to vesting; *provided* that the term of any Option granted under the Plan shall not exceed ten

years, except as provided in Section 12.1. The Committee shall also determine any conditions, if any, that must be satisfied before all or part of an Option may be exercised.

(c) Payment. The Committee shall determine the methods by which the exercise price of an Option may be paid, the form of payment, including, without limitation (i) cash or check denominated in U.S. Dollars, (ii) to the extent permissible under the Applicable Laws, cash or check in Chinese Renminbi, (iii) cash or check denominated in any other local currency as approved by the Committee, (iv) Shares held for such period of time as may be required by the Committee in order to avoid adverse financial accounting consequences and having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof, (v) after the Trading Date the delivery of a notice that the Participant has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price; *provided* that payment of such proceeds is then made to the Company upon settlement of such sale, (vi) other property acceptable to the Committee with a Fair Market Value equal to the exercise price, or (vii) any combination of the foregoing. Notwithstanding any other provision of the Plan to the contrary, no Participant who is a member of the Board or an “executive officer” of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to pay the exercise price of an Option in any method which would violate Section 13(k) of the Exchange Act.

(d) Evidence of Grant. All Options shall be evidenced by an Award Agreement between the Company and the Participant. The Award Agreement shall include such additional provisions as may be specified by the Committee.

(e) Effects of Termination of Employment or Service on Options. Termination of employment or service shall have the following effects on Options granted to the Participants:

(i) Dismissal for Cause. Unless otherwise provided in the Award Agreement, if a Participant’s employment by or service to the Service Recipient is terminated by the Service Recipient for Cause, the Participant’s Options will terminate upon such termination, whether or not the Option is then vested and/or exercisable;

(ii) Death or Disability. Unless otherwise provided in the Award Agreement, if a Participant’s employment by or service to the Service Recipient terminates as a result of the Participant’s death or Disability:

(a) the Participant (or his or her legal representative or beneficiary, in the case of the Participant’s Disability or death, respectively), will have until the date that is 12 months after the Participant’s termination of Employment to exercise the Participant’s Options (or portion thereof) to the extent that such Options were vested and exercisable on the date of the Participant’s termination of Employment on account of death or Disability;

(b) the Options, to the extent not vested and exercisable on the date of the Participant's termination of Employment or service, shall terminate upon the Participant's termination of Employment or service on account of death or Disability; and

(c) the Options, to the extent exercisable for the 12-month period following the Participant's termination of Employment or service and not exercised during such period, shall terminate at the close of business on the last day of the 12-month period.

(iii) Other Terminations of Employment or Service. Unless otherwise provided in the Award Agreement, if a Participant's employment by or service to the Service Recipient terminates for any reason other than a termination by the Service Recipient for Cause or because of the Participant's death or Disability:

(a) the Participant will have until the date that is 90 days after the Participant's termination of Employment or service to exercise his or her Options (or portion thereof) to the extent that such Options were vested and exercisable on the date of the Participant's termination of Employment or service;

(b) the Options, to the extent not vested and exercisable on the date of the Participant's termination of Employment or service, shall terminate upon the Participant's termination of Employment or service; and

(c) the Options, to the extent exercisable for the 90-day period following the Participant's termination of Employment or service and not exercised during such period, shall terminate at the close of business on the last day of the 90-day period.

5.2 Incentive Share Options. Incentive Share Options may be granted to Employees of the Company, a Parent or Subsidiary of the Company. Incentive Share Options may not be granted to Employees of a Related Entity or to Independent Directors or Consultants. The terms of any Incentive Share Options granted pursuant to the Plan, in addition to the requirements of Section 5.1, must comply with the following additional provisions of this Section 5.2:

(a) Individual Dollar Limitation. The aggregate Fair Market Value (determined as of the time the Option is granted) of all Shares with respect to which Incentive Share Options are first exercisable by a Participant in any calendar year may not exceed \$100,000 or such other limitation as imposed by Section 422(d) of the Code, or any successor provision. To the extent that Incentive Share Options are first exercisable by a Participant in excess of such limitation, the excess shall be considered Non-Qualified Share Options.

(b) Exercise Price. The exercise price of an Incentive Share Option shall be equal to the Fair Market Value on the date of grant. However, the exercise price of any Incentive Share Option granted to any individual who, at the date of grant, owns Shares

possessing more than ten percent of the total combined voting power of all classes of shares of the Company may not be less than 110% of Fair Market Value on the date of grant and such Option may not be exercisable for more than five years from the date of grant.

(c) Transfer Restriction. The Participant shall give the Company prompt notice of any disposition of Shares acquired by exercise of an Incentive Share Option within (i) two years from the date of grant of such Incentive Share Option or (ii) one year after the transfer of such Shares to the Participant.

(d) Expiration of Incentive Share Options. No Award of an Incentive Share Option may be made pursuant to this Plan after the tenth anniversary of the Effective Date.

(e) Right to Exercise. During a Participant's lifetime, an Incentive Share Option may be exercised only by the Participant.

ARTICLE 6

RESTRICTED SHARES

6.1 Grant of Restricted Shares. The Committee, at any time and from time to time, may grant Restricted Shares to Participants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of Restricted Shares to be granted to each Participant.

6.2 Restricted Shares Award Agreement. Each Award of Restricted Shares shall be evidenced by an Award Agreement that shall specify the period of restriction, the number of Restricted Shares granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine. Unless the Committee determines otherwise, Restricted Shares shall be held by the Company as escrow agent until the restrictions on such Restricted Shares have lapsed.

6.3 Issuance and Restrictions. Restricted Shares shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Shares or the right to receive dividends on the Restricted Share). These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

6.4 Forfeiture/Repurchase. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, Restricted Shares that are at that time subject to restrictions shall be forfeited or repurchased in accordance with the Award Agreement; *provided, however*, the Committee may (a) provide in any Restricted Share Award Agreement that restrictions or forfeiture and repurchase conditions relating to Restricted Shares will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to Restricted Shares.

6.5 Certificates for Restricted Shares. Restricted Shares granted pursuant to the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Shares are registered in the name of the Participant, certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Shares, and the Company may, at its discretion, retain physical possession of the certificate until such time as all applicable restrictions lapse.

6.6 Removal of Restrictions. Except as otherwise provided in this Article 6, Restricted Shares granted under the Plan shall be released from escrow as soon as practicable after the last day of the period of restriction. The Committee, in its discretion, may accelerate the time at which any restrictions shall lapse or be removed. After the restrictions have lapsed, the Participant shall be entitled to have any legend or legends under Section 6.5 removed from his or her Share certificate, and the Shares shall be freely transferable by the Participant, subject to applicable legal restrictions. The Committee (in its discretion) may establish procedures regarding the release of Shares from escrow and the removal of legends, as necessary or appropriate to minimize administrative burdens on the Company.

ARTICLE 7

RESTRICTED SHARE UNITS

7.1 Grant of Restricted Share Units. The Committee, at any time and from time to time, may grant Restricted Share Units to Participants as the Committee, in its sole discretion, shall determine. The Committee, in its sole discretion, shall determine the number of Restricted Share Units to be granted to each Participant.

7.2 Restricted Share Units Award Agreement. Each Award of Restricted Share Units shall be evidenced by an Award Agreement that shall specify any vesting conditions, the number of Restricted Share Units granted, and such other terms and conditions as the Committee, in its sole discretion, shall determine.

7.3 Performance Objectives and Other Terms. The Committee, in its discretion, may set performance objectives or other vesting criteria which, depending on the extent to which they are met, will determine the number or value of Restricted Share Units that will be paid out to the Participants.

7.4 Form and Timing of Payment of Restricted Share Units. At the time of grant, the Committee shall specify the date or dates on which the Restricted Share Units shall become fully vested and nonforfeitable. Upon vesting, the Committee, in its sole discretion, may pay Restricted Share Units in the form of cash, in Shares or in a combination thereof.

7.5 Forfeiture/Repurchase. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, Restricted Share Units that are at that time unvested shall be forfeited or repurchased in accordance with the Award Agreement; *provided, however*, the Committee may (a) provide in any Restricted Share Unit Award Agreement that restrictions or forfeiture and repurchase conditions relating to Restricted Share Units will be waived in whole or

in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture and repurchase conditions relating to Restricted Share Units.

ARTICLE 8

PROVISIONS APPLICABLE TO AWARDS

8.1 Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award which may include the term of an Award, the provisions applicable in the event the Participant's employment or service terminates, and the Company's authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind an Award.

8.2 No Transferability; Limited Exception to Transfer Restrictions.

8.2.1 Limits on Transfer. Unless otherwise expressly provided in (or pursuant to) this Section 8.2, by applicable law and by the Award Agreement, as the same may be amended:

(a) all Awards are non-transferable and will not be subject in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge;

(b) Awards will be exercised only by the Participant; and

(c) amounts payable or shares issuable pursuant to an Award will be delivered only to (or for the account of), and, in the case of Shares, registered in the name of, the Participant.

In addition, the shares shall be subject to the restrictions set forth in the applicable Award Agreement.

8.2.1 Further Exceptions to Limits on Transfer. The exercise and transfer restrictions in Section 8.2.1 will not apply to:

(a) transfers to the Company or a Subsidiary;

(b) transfers by gift to "immediate family" as that term is defined in SEC Rule 16a-1(e) promulgated under the Exchange Act;

(c) the designation of a beneficiary to receive benefits if the Participant dies or, if the Participant has died, transfers to or exercises by the Participant's beneficiary, or, in the absence of a validly designated beneficiary, transfers by will or the laws of descent and distribution; or

(d) if the Participant has suffered a disability, permitted transfers or exercises on behalf of the Participant by the Participant's duly authorized legal representative; or

(e) subject to the prior approval of the Committee or an executive officer or director of the Company authorized by the Committee, transfer to one or more natural persons who are the Participant's family members or entities owned and controlled by the Participant and/or the Participant's family members, including but not limited to trusts or other entities whose beneficiaries or beneficial owners are the Participant and/or the Participant's family members, or to such other persons or entities as may be expressly approved by the Committee, pursuant to such conditions and procedures as the Committee or may establish. Any permitted transfer shall be subject to the condition that the Committee receives evidence satisfactory to it that the transfer is being made for estate and/or tax planning purposes and on a basis consistent with the Company's lawful issue of securities.

Notwithstanding anything else in this Section 8.2.2 to the contrary, but subject to compliance with all Applicable Laws, Incentive Share Options, Restricted Shares and Restricted Share Units will be subject to any and all transfer restrictions under the Code applicable to such Awards or necessary to maintain the intended tax consequences of such Awards. Notwithstanding clause (b) above but subject to compliance with all Applicable Laws, any contemplated transfer by gift to "immediate family" as referenced in clause (b) above is subject to the condition precedent that the transfer be approved by the Administrator in order for it to be effective.

8.3 Beneficiaries. Notwithstanding Section 8.2, a Participant may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If the Participant is married and resides in a community property state, a designation of a person other than the Participant's spouse as his or her beneficiary with respect to more than 50% of the Participant's interest in the Award shall not be effective without the prior written consent of the Participant's spouse. If no beneficiary has been designated or survives the Participant, payment shall be made to the person entitled thereto pursuant to the Participant's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is filed with the Committee.

8.4 Share Certificates. Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing the Shares pursuant to the exercise of any Award, unless and until the Committee has determined, with advice of counsel, that the issuance and delivery of such certificates is in compliance with all Applicable Laws, regulations of governmental authorities and, if applicable, the requirements of any

exchange on which the Shares are listed or traded. All Share certificates delivered pursuant to the Plan are subject to any stop-transfer orders and other restrictions as the Committee deems necessary or advisable to comply with all Applicable Laws, and the rules of any national securities exchange or automated quotation system on which the Shares are listed, quoted, or traded. The Committee may place legends on any Share certificate to reference restrictions applicable to the Shares. In addition to the terms and conditions provided herein, the Committee may require that a Participant make such reasonable covenants, agreements, and representations as the Committee, in its discretion, deems advisable in order to comply with any such laws, regulations, or requirements. The Committee shall have the right to require any Participant to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Committee.

8.5 Paperless Administration. Subject to Applicable Laws, the Committee may make Awards, provide applicable disclosure and procedures for exercise of Awards by an internet website or interactive voice response system for the paperless administration of Awards.

8.6 Foreign Currency. A Participant may be required to provide evidence that any currency used to pay the exercise price of any Award were acquired and taken out of the jurisdiction in which the Participant resides in accordance with Applicable Laws, including foreign exchange control laws and regulations. In the event the exercise price for an Award is paid in Chinese Renminbi or other foreign currency, as permitted by the Committee, the amount payable will be determined by conversion from U.S. dollars at the official rate promulgated by the People's Bank of China for Chinese Renminbi, or for jurisdictions other than the Peoples Republic of China, the exchange rate as selected by the Committee on the date of exercise.

ARTICLE 9

CHANGES IN CAPITAL STRUCTURE

9.1 Adjustments. In the event of any dividend, share split, combination or exchange of Shares, amalgamation, arrangement or consolidation, spin-off, recapitalization or other distribution (other than normal cash dividends) of Company assets to its shareholders, or any other change affecting the shares of Shares or the share price of a Share, the Committee shall make such proportionate adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change with respect to (a) the aggregate number and type of shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Section 3.1); (b) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto); and (c) the grant or exercise price per share for any outstanding Awards under the Plan.

9.2 Corporate Transactions. Except as may otherwise be provided in any Award Agreement or any other written agreement entered into by and between the Company and a Participant, if the Committee anticipates the occurrence, or upon the occurrence, of a Corporate Transaction, the Committee may, in its sole discretion, provide for (i) any and all Awards outstanding hereunder to terminate at a specific time in the future and shall give each Participant the right to exercise the vested portion of such Awards during a period of time as the Committee

shall determine, or (ii) the purchase of any Award for an amount of cash equal to the amount that could have been attained upon the exercise of such Award (and, for the avoidance of doubt, if as of such date the Committee determines in good faith that no amount would have been attained upon the exercise of such Award, then such Award may be terminated by the Company without payment), or (iii) the replacement of such Award with other rights or property selected by the Committee in its sole discretion or the assumption of or substitution of such Award by the successor or surviving corporation, or a Parent or Subsidiary thereof, with appropriate adjustments as to the number and kind of Shares and prices, or (iv) payment of Award in cash based on the value of Shares on the date of the Corporate Transaction plus reasonable interest on the Award through the date when such Award would otherwise be vested or have been paid in accordance with its original terms, if necessary to comply with Section 409A of the Code.

9.3 Outstanding Awards – Other Changes. In the event of any other change in the capitalization of the Company or corporate change other than those specifically referred to in this Article 9, the Committee may, in its absolute discretion, make such adjustments in the number and class of shares subject to Awards outstanding on the date on which such change occurs and in the per share grant or exercise price of each Award as the Committee may consider appropriate to prevent dilution or enlargement of rights.

9.4 No Other Rights. Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of Shares of any class, the payment of any dividend, any increase or decrease in the number of shares of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Committee under the Plan, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of shares subject to an Award or the grant or exercise price of any Award.

ARTICLE 10

ADMINISTRATION

10.1 Committee. The Plan shall be administered by the Board or a committee of one or more members of the Board to whom the Board shall delegate the authority to grant or amend Awards to Participants other than any of the Committee members. Any grant or amendment of Awards to any Committee member shall then require an affirmative vote of a majority of the Board members who are not on the Committee.

10.2 Action by the Committee. A majority of the Committee shall constitute a quorum. The acts of a majority of the members of the Committee present at any meeting at which a quorum is present, and acts approved in writing by a majority of the Committee in lieu of a meeting, shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Subsidiary, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

10.3 Authority of the Committee. Subject to any specific designation in the Plan, the Committee has the exclusive power, authority and discretion to:

- (a) designate Participants to receive Awards;
- (b) determine the type or types of Awards to be granted to each Participant;
- (c) determine the number of Awards to be granted and the number of Shares to which an Award will relate;
- (d) determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price, grant price, or purchase price, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Committee in its sole discretion determines;
- (e) determine whether, to what extent, and pursuant to what circumstances an Award may be settled in, or the exercise price of an Award may be paid in, cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;
- (f) prescribe the form of each Award Agreement, which need not be identical for each Participant;
- (g) decide all other matters that must be determined in connection with an Award;
- (h) establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Plan;
- (i) interpret the terms of, and any matter arising pursuant to, the Plan or any Award Agreement; and
- (j) make all other decisions and determinations that may be required pursuant to the Plan or as the Committee deems necessary or advisable to administer the Plan.

10.4 Decisions Binding. The Committee's interpretation of the Plan, any Awards granted pursuant to the Plan, any Award Agreement and all decisions and determinations by the Committee with respect to the Plan are final, binding, and conclusive on all parties.

ARTICLE 11

EFFECTIVE AND EXPIRATION DATE

11.1 Effective Date. This Plan shall become effective as of March 1, 2023 (the "Effective Date").

11.2 Expiration Date. The Plan will expire on, and no Award may be granted pursuant to the Plan after, the tenth anniversary of the Effective Date. Any Awards that are outstanding on the tenth anniversary of the Effective Date shall remain in force according to the terms of the Plan and the applicable Award Agreement.

ARTICLE 12

AMENDMENT, MODIFICATION, AND TERMINATION

12.1 Amendment, Modification, and Termination. At any time and from time to time, the Board or the Committee may terminate, amend or modify the Plan; *provided, however*, that to the extent necessary to comply with Applicable Laws, the Company shall obtain shareholder approval of any Plan amendment in such a manner and to such a degree as required, including (a) to increase the number of Shares available under the Plan (other than any adjustment as provided by Article 9), or (b) to permit the Committee to extend the term of the Plan or the exercise period for an Option beyond ten years from the date of grant; *provided, further*, that to the extent permissible under the Applicable Laws, the Board may decide to follow home country practice not to seek the shareholder approval for any amendment or modification of the Plan.

ARTICLE 13

GENERAL PROVISIONS

13.1 No Rights to Awards. No Participant, employee, or other person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company nor the Committee is obligated to treat Participants, employees, and other persons uniformly.

13.2 No Shareholders Rights. No Award gives the Participant any of the rights of a Shareholder of the Company unless and until Shares are in fact issued to such person in connection with such Award.

13.3 Taxes. No Shares shall be delivered under the Plan to any Participant until such Participant has made arrangements acceptable to the Committee for the satisfaction of any income and employment tax withholding obligations under Applicable Laws. The Company or any Subsidiary shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy all applicable taxes (including the Participant's payroll tax obligations) required or permitted by Applicable Laws to be withheld with respect to any taxable event concerning a Participant arising as a result of this Plan. The Committee may in its discretion and in satisfaction of the foregoing requirement allow a Participant to elect to have the Company withhold Shares otherwise issuable under an Award (or allow the return of Shares) having a Fair Market Value equal to the sums required to be withheld. Notwithstanding any other provision of the Plan, the number of Shares which may be withheld with respect to the issuance, vesting, exercise or payment of any Award (or which may be repurchased from the Participant of such Award after such Shares were acquired by the Participant from the Company) in order to satisfy any income and payroll tax liabilities applicable to the Participant with respect to the issuance, vesting, exercise or payment of the

Award shall, unless specifically approved by the Committee, be limited to the number of Shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for the applicable income and payroll tax purposes that are applicable to such supplemental taxable income.

13.4 No Right to Employment or Services. Nothing in the Plan or any Award Agreement shall interfere with or limit in any way the right of the Service Recipient to terminate any Participant's employment or services at any time, nor confer upon any Participant any right to continue in the employment or services of any Service Recipient.

13.5 Unfunded Status of Awards. The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Company or any Subsidiary.

13.6 Indemnification. To the extent allowable pursuant to Applicable Laws, each member of the Committee or of the Board shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; *provided* he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Company's Memorandum of Association and Articles of Association, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

13.7 Relationship to other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits pursuant to any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

13.8 Expenses. The expenses of administering the Plan shall be borne by the Company and its Subsidiaries.

13.9 Titles and Headings. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

13.10 Fractional Shares. No fractional Shares shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional Shares or whether such fractional Shares shall be eliminated by rounding up or down as appropriate.

13.11 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan, the Plan, and any Award granted or awarded to any Participant who is then subject to Section 16 of the Exchange Act, shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by the Applicable Laws, the Plan and Awards granted or awarded hereunder shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

13.12 Government and Other Regulations. The obligation of the Company to make payment of awards in Shares or otherwise shall be subject to all Applicable Laws, and to such approvals by government agencies as may be required. The Company shall be under no obligation to register any of the Shares paid pursuant to the Plan under the Securities Act or any other similar law in any applicable jurisdiction. If the Shares paid pursuant to the Plan may in certain circumstances be exempt from registration pursuant to the Securities Act or other Applicable Laws, the Company may restrict the transfer of such Shares in such manner as it deems advisable to ensure the availability of any such exemption.

13.13 Governing Law. The Plan and all Award Agreements shall be construed in accordance with and governed by the laws of the Cayman Islands.

13.14 Section 409A. To the extent that the Committee determines that any Award granted under the Plan is or may become subject to Section 409A of the Code, the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A of the Code. To the extent applicable, the Plan and the Award Agreements shall be interpreted in accordance with Section 409A of the Code and the U.S. Department of Treasury regulations and other interpretative guidance issued thereunder, including without limitation any such regulation or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that following the Effective Date the Committee determines that any Award may be subject to Section 409A of the Code and related Department of Treasury guidance (including such Department of Treasury guidance as may be issued after the Effective Date), the Committee may adopt such amendments to the Plan and the applicable Award agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines are necessary or appropriate to (a) exempt the Award from Section 409A of the Code and/or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance.

13.15 Appendices. The Committee may approve such supplements, amendments or appendices to the Plan as it may consider necessary or appropriate for purposes of compliance with Applicable Laws or otherwise and such supplements, amendments or appendices shall be considered a part of the Plan; provided, however, that no such supplements shall increase the share limitation contained in Section 3.1 of the Plan without the approval of the Board.

Dated 22 August 2022

Facilities Agreement

relating to US\$900,000,000 term loan facility and US\$300,000,000 revolving loan facility

between
(among others)

Weibo Corporation
as Borrower

The Financial Institutions listed in Part 1 of Schedule 1
as Original Mandated Lead Arrangers and Bookrunners

and

Citicorp International Limited
as Agent

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This Facilities Agreement is dated 22 August 2022 and made between:

- (1) **Weibo Corporation**, an exempted company incorporated with limited liability under the laws of the Cayman Islands and with company number 241654 whose registered office is at Vistra (Cayman) Limited, P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands and whose share are listed on the Main Board of the Hong Kong Stock Exchange Limited (stock code: 9898) and on the Nasdaq Stock Market LLC (stock code: WB) as borrower (the “**Borrower**”);
- (2) **The Financial Institutions** listed in Part 1 of Schedule 1 (*The Original Parties*) as original mandated lead arrangers and bookrunners (the “**Original Mandated Lead Arrangers and Bookrunners**” and each an “**Original Mandated Lead Arranger and Bookrunner**”);
- (3) **The Financial Institutions** listed in Part 2 of Schedule 1 (*The Original Parties*) as other mandated lead arrangers and bookrunners (the “**Mandated Lead Arrangers and Bookrunners**” and each a “**Mandated Lead Arranger and Bookrunner**”);
- (4) **The Financial Institutions** listed in Part 3 of Schedule 1 (*The Original Parties*) as lead arrangers (the “**Lead Arrangers**” and each a “**Lead Arranger**”);
- (5) **The Financial Institutions** listed in Part 4 of Schedule 1 (*The Original Parties*) as lead arrangers (the “**Arrangers**” and each an “**Arranger**”); and
- (6) **The Financial Institutions** listed in Part 5 of Schedule 1 (*The Original Parties*) as lenders (the “**Original Lenders**”); and
- (7) **Citicorp International Limited** as agent of the Finance Parties (other than itself) (the “**Agent**”).

It is agreed as follows:

Section 1

Interpretation

1. Definitions and Interpretation

1.1 Definitions

In this Agreement:

“**Administrative Party**” means the Agent, each of the Original Mandated Lead Arrangers and Bookrunners, each of the Mandated Lead Arrangers and Bookrunners, each of the Lead Arrangers and each of the Arrangers.

“**Affiliate**” means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.

“**Annual Financial Statements**” means the audited consolidated financial statements of the Borrower for a Financial Year delivered pursuant to paragraph (a) of Clause 18.1 (*Financial Statements*).

“**Anti-Bribery and Corruption Laws**” means, US Foreign Corrupt Practices Act of 1977, as amended, the Bribery Act 2010 of the United Kingdom, or any other applicable anti-bribery or anti-corruption laws, rules or regulations issued, administered or enforced by the United Kingdom, US, the European Union or any of its member states, Japan or any other country or governmental agency having jurisdiction over the Borrower or the Group.

“**Anti-Money Laundering and Anti-Terrorism Financing Laws**” means, to the extent applicable, the financial record keeping and reporting requirements and anti-money laundering and anti-terrorism financing statutes (including all applicable rules and regulations thereunder) and all applicable rules and regulations and any related or similar rules, regulations or guidelines: (a) issued, administered or enforced by any governmental agency having jurisdiction over the Borrower and any member of the Group or otherwise issued, administered or enforced in each of the jurisdictions in which the Borrower and each other member of the Group are incorporated or domiciled (as the case may be); and/or (b) issued, administered or enforced by any governmental agency of Japan and/or (c) of all jurisdictions in which the Borrower and each member of the Group conducts business, including (without limitation) the U.S. Currency and Foreign Transactions Reporting Act of 1970 (as amended), the Money Laundering Control Act of 1986, Public Law 99-570, the Currency and Foreign Transactions Reporting Act, 31 U.S.C. §§ 5311-5330 and 12 U.S.C. §§ 1818(s), 1820(b), the United Nations (Anti-Terrorism Measures) Regulations, the Terrorism (Suppression of Financing) Act (Chapter 325) and Prevention of Money Laundering and Countering the Financing of Terrorism (MAS Notice 626) and Prevention of Money Laundering Act, 2002, the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615 of the Laws of Hong Kong) and the PRC Anti-Money Laundering Law (President Order No. 56).

“**APLMA**” means the Asia Pacific Loan Market Association Limited.

“**Article 55 BRRD**” means Article 55 of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms.

“**Assignment Agreement**” means an agreement substantially in the form set out in Schedule 5 (*Form of Assignment Agreement*) or any other form agreed between the relevant assignor, assignee and the Agent.

“**Authorisation**” means:

- (a) an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, lodgement or registration; or
- (b) in relation to anything which will be fully or partly prohibited or restricted by law if a Governmental Agency intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action.

“**Availability Period**” means:

- (a) in relation to Facility A, the period from and including the Signing Date to and including the date falling four (4) months after the Signing Date (provided that if such date is not a Business Day, the preceding Business Day); and
- (b) in relation to Facility B, the period from and including the Signing Date to and including (A) the date falling one (1) month before the Final Repayment Date (provided that if such date is not a Business Day, the preceding Business Day) or (B) if the Initial Utilisation Date had not occurred on the last day of the Availability Period for Facility A, the last day of the Availability Period for Facility A.

“**Available Commitment**” means, in relation to a Facility, a Lender’s Commitment under that Facility minus:

- (a) the amount of its participation in any outstanding Loans under that Facility; and
- (b) in relation to any proposed Utilisation, the amount of its participation in any Loans that are due to be made under that Facility on or before the proposed Utilisation Date,

other than, in relation to any proposed Utilisation under Facility B only, that Lender's participation in any Facility B Loans that are due to be repaid or prepaid on or before the proposed Utilisation Date.

"Available Facility" means, in relation to a Facility, the aggregate for the time being of each Lender's Available Commitment in respect of that Facility.

"Bail-In Action" means the exercise of any Write-down and Conversion Powers.

"Bail-In Legislation" means:

- (a) in relation to an EEA Member Country which has implemented, or which at any time implements, Article 55 BRRD, the relevant implementing law or regulation as described in the EU Bail-In Legislation Schedule from time to time;
- (b) in relation to any state other than such an EEA Member Country and the United Kingdom, any analogous law or regulation from time to time which requires contractual recognition of any Write-down and Conversion Powers contained in that law or regulation; and
- (c) in relation to the United Kingdom, the UK Bail-In Legislation.

"Break Costs" means the amount (if any) by which:

- (a) the interest (excluding Margin) which a Lender should have received for the period from the date of receipt of all or any part of its participation in a Loan or Unpaid Sum to the last day of the current Interest Period in respect of that Loan or Unpaid Sum, had the principal amount or Unpaid Sum received been paid on the last day of that Interest Period;

exceeds:

- (b) the amount which that Lender would be able to obtain by placing an amount equal to the principal amount or Unpaid Sum received by it on deposit with a leading bank for a period starting on the Business Day following receipt or recovery and ending on the last day of the current Interest Period.

"Business Day" means:

- (a) for the purposes of fixing of an interest rate, a day (other than a Saturday or Sunday) on which is a US Government Securities Business Day;
- (b) for the purposes of making payments in or purchase of US dollars, a day (other than a Saturday or Sunday) on which banks are open for general business in New York, Hong Kong, Macau, PRC and the Republic of Singapore; and
- (c) for all other purposes, a day (other than a Saturday or Sunday) on which banks are open for general business in Hong Kong, Macau, PRC and the Republic of Singapore.

"Code" means the US Internal Revenue Code of 1986.

"Commitment" means:

- (a) in relation to any Original Lender, the amount of any Facility A Commitment or Facility B Commitment; and
- (b) in relation to any other Lender, the amount of any Commitment transferred to it under this Agreement,

to the extent not cancelled, reduced or transferred by it under this Agreement.

“**Commitment Fee Period (Facility B)**” means the period from (and including) the date falling four (4) months after the Signing Date to (and including) the last day of the Availability Period of Facility B.

“**Compliance Certificate**” means a certificate delivered pursuant to Clause 18.2 (*Compliance Certificate*) and signed by a director or the chief financial officer of the Borrower substantially in the form set out in Schedule 6 (*Form of Compliance Certificate*).

“**Confidential Information**” means all information relating to the Borrower, the Group, the Finance Documents or a Facility of which a Finance Party becomes aware in its capacity as, or for the purpose of becoming, a Finance Party or which is received by a Finance Party in relation to, or for the purpose of becoming a Finance Party under, the Finance Documents or a Facility from either:

- (a) any member of the Group or any of its advisers; or
- (b) another Finance Party, if the information was obtained by that Finance Party directly or indirectly from any member of the Group or any of its advisers,

in whatever form, and includes information given orally and any document, electronic file or any other way of representing or recording information which contains or is derived or copied from such information but excludes:

- (i) information that:
 - (A) is or becomes public information other than as a direct or indirect result of any breach by that Finance Party of Clause 33 (*Confidential Information*);
 - (B) is identified in writing at the time of delivery as non-confidential by any member of the Group or any of its advisers; or
 - (C) is known by that Finance Party before the date the information is disclosed to it in accordance with paragraph (a) or (b) above or is lawfully obtained by that Finance Party after that date, from a source which is, as far as that Finance Party is aware, unconnected with the Group and which, in either case, as far as that Finance Party is aware, has not been obtained in breach of, and is not otherwise subject to, any obligation of confidentiality; and
- (ii) any Funding Rate.

“**Confidentiality Undertaking**” means a confidentiality undertaking substantially in a recommended form of the APLMA or in any other form agreed between the Borrower and the Agent.

“**Consolidated Total Assets**” means, at any time, the total assets of the Group on a consolidated basis (as determined in accordance with GAAP as applied to the Original Financial Statements), as set out in the latest consolidated financial statements of the Group delivered pursuant to paragraph (b) of Clause 18.1 (*Financial Statements*) as at such time.

“**Consolidated Total Equity**” means, at any time, Consolidated Total Assets after deducting Consolidated Total Liabilities at that time.

“**Consolidated Total Liabilities**” means, at any time, the aggregate amount of the total liabilities of the Group (on a consolidated basis) as set out in the latest consolidated financial statements of the Group delivered pursuant to paragraph (b) of Clause 18.1 (*Financial Statements*) as at such time.

“**Controlled Entity**” means, in relation to any company or corporation, a Subsidiary of such company or corporation.

“**Deal Site**” means DebtDomain.

“**Default**” means an Event of Default or any event or circumstance specified in Clause 21 (*Events of Default*) which would (with the expiry of a grace period, the giving of notice, the making of any determination under the Finance Documents or any combination of any of the foregoing) be an Event of Default.

“**Disruption Event**” means either or both of:

- (a) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facilities (or otherwise in order for the transactions contemplated by the Finance Documents to be carried out) which disruption is not caused by, and is beyond the control of, any of the Parties; and
- (b) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of a Party preventing that, or any other Party:
 - (i) from performing its payment obligations under the Finance Documents; or
 - (ii) from communicating with other Parties in accordance with the terms of the Finance Documents,and which (in either such case) is not caused by, and is beyond the control of, the Party whose operations are disrupted.

“**EEA Member Country**” means any member state of the European Union, Iceland, Liechtenstein and Norway.

“**Environmental Claim**” means any claim, proceeding or investigation by any person in respect of any Environmental Law.

“**Environmental Law**” means any applicable law or regulation which relates to:

- (a) the pollution or protection of the environment;
- (b) the conditions of the workplace; or
- (c) the generation, handling, storage, use, release or spillage of any substance which, alone or in combination with any other, is capable of causing harm to the environment, including, without limitation, any waste.

“**Environmental Permits**” means any permit and other Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the business of any member of the Group conducted on or from the properties owned or used by any member of the Group.

“**EU Bail-In Legislation Schedule**” means the document described as such and published by the Loan Market Association (or any successor person) from time to time.

“**Event of Default**” means any event or circumstance specified as such in Clause 21 (*Events of Default*).

“**Facility**” means Facility A or Facility B.

“**Facility A**” means the term loan facility made available under this Agreement as described in

Clause 2 (*The Facilities*).

“Facility A Commitment” means:

- (a) in relation to an Original Lender, the amount set opposite its name under the heading “Facility A Commitment” in Part 5 of Schedule 1 (*The Original Parties*) and the amount of any other Facility A Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount of any Facility A Commitment transferred to it under this Agreement, to the extent not cancelled, reduced or transferred by it under this Agreement.

“Facility A Loan” means a loan made or to be made under Facility A or the principal amount outstanding for the time being of that loan.

“Facility B” means the revolving loan facility made available under this Agreement as described in Clause 2 (*The Facilities*).

“Facility B Commitment” means:

- (a) in relation to an Original Lender, the amount set opposite its name under the heading “Facility B Commitment” in Part 5 of Schedule 1 (*The Original Parties*) and the amount of any other Facility B Commitment transferred to it under this Agreement; and
- (b) in relation to any other Lender, the amount of any Facility B Commitment transferred to it under this Agreement, to the extent not cancelled, reduced or transferred by it under this Agreement.

“Facility B Loan” means a loan made or to be made under Facility B or the principal amount outstanding for the time being of that loan.

“Facility Office” means the office or offices notified by a Lender to the Agent in writing on or before the date it becomes a Lender (or, following that date, by not less than five Business Days’ written notice) as the office or offices through which it will perform its obligations under this Agreement.

“Fallback Interest Payment” means the aggregate amount of interest that:

- (a) is, or is scheduled to become, payable under paragraph (a), (b) or (c) of Clause 10.1 (*Unavailability of Term SOFR*); and
- (b) relates to a Loan.

“Fallback Interest Period” means one (1) month.

“FATCA” means:

- (a) sections 1471 to 1474 of the Code or any associated regulations;
- (b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in paragraph (a) above; or
- (c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in paragraph (a) or (b) above with the US Internal Revenue Service, the US

government or any governmental or taxation authority in any other jurisdiction.

“FATCA Application Date” means:

- (a) in relation to a “withholdable payment” described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014; or
- (b) in relation to a “passthru payment” described in section 1471(d)(7) of the Code not falling within paragraph (a) above, the first date from which such payment may become subject to a deduction or withholding required by FATCA.

“FATCA Deduction” means a deduction or withholding from a payment under a Finance Document required by FATCA.

“FATCA Exempt Party” means a Party that is entitled to receive payments free from any FATCA Deduction.

“Fee Letter” means any letter or letters referring to this Agreement or the Facilities between (a) one or more Original Mandated Lead Arrangers and Bookrunners and/or the Agent and (b) the Borrower setting out any of the fees referred to in Clause 11 (*Fees*).

“Final Repayment Date” means in relation to any Loan, the date falling 60 months from the Signing Date *provided that* if such date is not a Business Day, it shall be the immediately preceding Business Day.

“Finance Document” means this Agreement, any Fee Letter, any Utilisation Request, any Compliance Certificate and any other document designated as such by the Agent and the Borrower.

“Finance Party” means an Administrative Party or a Lender.

“Financial Indebtedness” means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with GAAP, be treated as a balance sheet liability;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);
- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial

institution; and

- (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above.

“**Funding Rate**” means any individual rate notified by a Lender to the Agent pursuant to paragraph (a)(ii) of Clause 10.3 (*Cost of Funds*).

“**GAAP**” means generally accepted accounting principles in the US or IFRS.

“**Governmental Agency**” means any government or any governmental agency, semi-governmental or judicial entity or authority (including any stock exchange or any self-regulatory organisation established under statute).

“**Group**” means the Borrower and its Subsidiaries from time to time.

“**Group Member**” means a member of the Group.

“**Historic Term SOFR**” means, in relation to any Loan, the most recent Term SOFR for a period equal in length to the Interest Period of that Loan and which is as of a US Government Securities Business Day which is no more than three (3) US Government Securities Business Days before the Quotation Day.

“**HKSE**” means the Hong Kong Stock Exchange Limited.

“**Holding Company**” means, in relation to a person, any other person in respect of which it is a Subsidiary.

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“**IFRS**” means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

“**Indirect Tax**” means any goods and services tax, consumption tax, value added tax or any tax of a similar nature.

“**Information Memorandum**” means the document in the form approved by the Borrower concerning the Group which, at the Borrower’s request and on its behalf, was prepared in relation to this transaction and distributed by the Original Mandated Lead Arrangers and Bookrunners to selected financial institutions before the Signing Date.

“**Initial Utilisation Date**” means the first Utilisation Date.

“**Interest Period**” means, in relation to a Loan, each period determined in accordance with Clause 9 (*Interest Periods*) and, in relation to an Unpaid Sum, each period determined in accordance with Clause 8.3 (*Default Interest*).

“**Key Entities**” means:

- (a) the Borrower;
- (b) Weibo Hong Kong Limited;
- (c) Weibo Internet Technology (China) Co., Ltd.; and
- (d) Beijing Weimeng Technology Co., Ltd.,

and a “**Key Entity**” means any one of the above entities.

“**Legal Reservations**” means:

- (a) the principle that equitable remedies may be granted or refused at the discretion of a court and the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors;
- (b) the time barring of claims under applicable statutes of limitation (or equivalent legislation), the possibility that an undertaking to assume liability for or indemnify a person against non-payment of stamp duty may be void and defences of acquiescence, set off or counterclaim;
- (c) similar principles, rights and defences in respect of the enforceability of a contract, agreement or undertaking under the laws of any relevant jurisdiction;
- (d) the principle that additional interest imposed pursuant to any relevant agreement may be held to be unenforceable on the grounds that it is a penalty and thus void;
- (e) the principle that a court may not give effect to an indemnity for legal costs incurred by an unsuccessful litigant; and
- (f) any other matters which are set out as qualifications or reservations as to matters of law of general application in any legal opinions supplied to the Agent pursuant to Clause 4.1 (*Initial Conditions Precedent*) of this Agreement.

“Lender” means:

- (a) any Original Lender; and
- (b) any bank, financial institution, trust, fund or other entity which has become a Party in accordance with Clause 22 (*Changes to the Lenders*),

which in each case has not ceased to be a Party as such in accordance with the terms of this Agreement.

“Listing Event” means any of the events or circumstances below:

- (a) the shares of the Borrower ceases to be listed on the main board of the HKSE;
- (b) the shares of the Borrower ceases to be listed on the Nasdaq Stock Market LLC (together with the main board of the HKSE, the **“Relevant Exchanges”** and each a **“Relevant Exchange”**);
- (c) the shares of the Borrower are suspended from trading on the main board of the HKSE for a period of 10 or more consecutive relevant Trading Days; or
- (d) the shares of the Borrower are suspended from trading on the Nasdaq Stock Market LLC for a period of 10 or more consecutive relevant Trading Days,

provided that:

- (i) (in respect of paragraphs (a) and (b) above) so long as the Borrower remains listed on the other Relevant Exchange during the occurrence of the event listed in paragraphs (a) or, as applicable, paragraph (b) above; and
- (ii) (in respect of paragraphs (c) and (d)) so long as the shares of the Borrower are not suspended from trading on the other Relevant Exchange for a period of 10 or more consecutive relevant Trading Days during the occurrence of the event listed in paragraphs (c) or, as applicable, paragraph (d) above,

such event shall not constitute a Listing Event.

“**Loan**” means a Facility A Loan or a Facility B Loan.

“**Macau**” means the Macau Special Administrative Region of the People’s Republic of China.

“**Majority Lenders**” means a Lender or Lenders whose Commitments aggregate 66⅔ per cent. or more of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated 66⅔ per cent. or more of the Total Commitments immediately prior to the reduction).

“**Margin**” means one point two eight per cent. (1.28%) per annum.

“**Market Disruption Rate**” means the percentage rate per annum which is the Reference Rate.

“**Material Adverse Effect**” means a material adverse effect on (a) the business or financial condition of the Group taken as a whole; (b) the ability of the Borrower to perform its payment obligations under the Finance Documents; or (c) subject to the Legal Reservations, the validity or enforceability of, or the rights or remedies of any Finance Party under, the Finance Documents.

“**Material Non-Public Information**” means non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise, including any “inside information” (as defined in Section 245 of the Securities and Futures Ordinance (Cap. 571 of Hong Kong)).

“**Month**” means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that:

- (a) (subject to paragraph (c) below) if the numerically corresponding day is not a Business Day, that period shall end on the next Business Day in that calendar month in which that period is to end if there is one, or if there is not, on the immediately preceding Business Day;
- (b) if there is no numerically corresponding day in the calendar month in which that period is to end, that period shall end on the last Business Day in that calendar month; and
- (c) if an Interest Period begins on the last Business Day of a calendar month, that Interest Period shall end on the last Business Day in the calendar month in which that Interest Period is to end.

The above rules will only apply to the last Month of any period.

“**NDRC**” means the National Development and Reform Commission (国家发展和改革委员会) of the PRC or its local counterparts or any other authority succeeding to its functions.

“**NDRC Circular 2044**” means the Circular on Promoting the Reform of the Filing and Registration Regime for Issuance of Foreign Debt by Enterprises (国家发展改革委关于推进企业发行外债备案登记制管理改革的通知 (发改外资 [2015] 2044号)) promulgated by the NDRC on and effective from 14 September 2015 and its implementation rules, interpretations and official guidelines.

“**New Lender**” has the meaning given to that term in Clause 22 (*Changes to the Lenders*).

“**Non-listed Controlled Entity**” means any Controlled Entity other than (i) any Controlled Entity with shares of common stock or other common equity interests listed on a nationally recognized stock exchange, including but not limited to the Shanghai Stock Exchange; and (ii) any Subsidiaries of any Controlled Entity referred to in clause (i) of this definition.

“**OFAC**” has the meaning given to that term under the definition of “Sanctions Authority”.

“**Original Financial Statements**” means the audited consolidated financial statements of the Group for the Financial Year ended 31 December 2021.

“**Overnight SOFR**” means the secured overnight financing rate (SOFR) administered by the Federal Reserve Bank of New York (or any other person which takes over the administration of that rate) published (before any correction, recalculation or republication by the administrator) by the Federal Reserve Bank of New York (or any other person which takes over the publication of that rate).

“**Participant**” means each person to whom a Lender will make payments under a Participation Agreement.

“**Participation**” means a fee letter, sub-participation, credit derivative (including a credit default swap or credit linked note), loan participation note, total return swap (or similar transactions of broadly equivalent economic effect) or any other agreement between (or instrument in favour of) a Lender and a Participant, whether directly or indirectly, under which the Lender is obliged to make certain payments to the Participant by reference to, one or more Finance Documents and/or the Borrower, but excluding any assignment, transfer or novation of any of a Lender’s Commitments and/or rights and/or obligations in accordance with this Agreement.

“**Participation Agreement**” means each agreement or letter between a Lender and a Participant in respect of a Participation.

“**Party**” means a party to this Agreement.

“**PRC**” means the People’s Republic of China (excluding, only for the purposes of the Finance Documents, Hong Kong, Macau and Taiwan region).

“**Principal Controlled Entity**” means any Non-listed Controlled Entities of the Borrower:

- (a) as to which one or more of the following conditions is/are satisfied:
 - (i) its total revenue or (in the case of one of the Non-listed Controlled Entities of the Borrower which has one or more Non-listed Controlled Entities) consolidated total revenue attributable to the Borrower is at least ten per cent. (10%) of the consolidated total revenue of the Borrower;
 - (ii) its net profit or (in the case of one of the Non-listed Controlled Entities of the Borrower which has one or more Non-listed Controlled Entities) consolidated net profit attributable to the Borrower (in each case before taxation and exceptional items) is at least ten per cent. (10%) of the consolidated net profit of the Borrower (before taxation and exceptional items); or
 - (iii) its net assets or (in the case of one of the Non-listed Controlled Entities of the Borrower which has one or more Non-listed Controlled Entities) consolidated net assets attributable to the Borrower (in each case after deducting minority interests in Subsidiaries) are at least ten per cent. (10%) of the consolidated net assets of the Borrower (after deducting minority interests in Subsidiaries);

all as calculated by reference to the then latest audited financial statements (consolidated or, as the case may be, unconsolidated) of the Non-listed Controlled Entity of the Borrower and the then latest Annual Financial Statement and any Compliance Certificate supplied by the Borrower with those Annual Financial Statements (or, prior to the delivery of the first set of Annual Financial Statements to the Agent, the Original Financial Statements constituted Annual Financial Statements); **provided that**, in relation to paragraphs (i), (ii) and (iii) above:

- (A) in the case of a corporation or other business entity becoming a Non-listed Controlled Entity after the end of the financial period to which the latest consolidated audited accounts of the Borrower relate, the reference to the then latest consolidated audited accounts of the Borrower and its Non-listed Controlled Entities for the purposes of the calculation above shall, until the consolidated audited accounts of the Borrower for the financial period in which the relevant corporation or other business entity becomes a Non-listed Controlled Entity are issued, be deemed to be a reference to the then latest consolidated audited accounts of the Borrower and its Non-listed Controlled Entities adjusted to consolidate the latest audited accounts (consolidated in the case of a Non-listed Controlled Entity which itself has Non-listed Controlled Entities) of such Non-listed Controlled Entity in such accounts;
 - (B) if at any relevant time in relation to the Borrower or any Non-listed Controlled Entity which itself has Non-listed Controlled Entities, no consolidated accounts are prepared and audited, total revenue, net profit or net assets of the Borrower and/or any such Controlled Entity shall be determined on the basis of pro forma consolidated accounts prepared for this purpose by or on behalf of the Borrower;
 - (C) if at any relevant time in relation to any Non-listed Controlled Entity, no accounts are audited, its net assets (consolidated, if appropriate) shall be determined on the basis of pro forma accounts (consolidated, if appropriate) of the relevant Non-listed Controlled Entity prepared for this purpose by or on behalf of the Borrower; and
 - (D) if the accounts of any Non-listed Controlled Entity (not being a Non-listed Controlled Entity referred to in proviso (A) above) are not consolidated with the accounts of the Borrower, then the determination of whether or not such Non-listed Controlled Entity is a Principal Controlled Entity shall be based on a pro forma consolidation of its accounts (consolidated, if appropriate) with the consolidated accounts of the Borrower (determined on the basis of the foregoing); or
- (b) to which is transferred all or substantially all of the assets of a Controlled Entity which immediately prior to the transfer was a Principal Controlled Entity; provided that, with effect from such transfer, the Controlled Entity which so transfers its assets and undertakings shall cease to be a Principal Controlled Entity (but without prejudice to paragraph (i) above) and the Controlled Entity to which the assets are so transferred shall become a Principal Controlled Entity.

A certificate signed by a director or the chief financial officer of the Borrower certifying that a Group Member is or is not a Principal Controlled Entity shall, in the absence of manifest error, be conclusive and binding on all Parties.

“**Quotation Day**” means in relation to any period for which an interest rate is to be determined, two (2) US Government Securities Business Days before the first day of that period (unless market practice differs in the relevant syndicated loans market, in which case the Quotation Day will be determined by the Agent in accordance with that market practice (and if quotations would normally be given on more than one day, the Quotation Day will be the last of those days)).

“**Quoted Tenor**” means any period for which Term SOFR is customarily displayed on the relevant page or screen of an information service.

“**Reference Rate**” means, in relation to any Loan:

- (a) Term SOFR as of the Specified Time and for a period equal in length to the Interest Period of that Loan; or
- (b) as otherwise determined pursuant to Clause 10.1(*Unavailability of Term SOFR*),

and if, in either case, that rate is less than zero, the Reference Rate shall be deemed to be zero.

“**Related Fund**”, in relation to a fund (the “**first fund**”), means a fund which is managed or advised by the same investment manager or investment adviser as the first fund or, if it is managed by a different investment manager or investment adviser, a fund whose investment manager or investment adviser is an Affiliate of the investment manager or investment adviser of the first fund.

“**Relevant Market**” means the market for overnight cash borrowing collateralised by US Government securities.

“**Repeating Representations**” means each of the representations set out in Clause 17 (*Representations*) other than Clause 17.7 (*Deduction of Tax*), Clause 17.8 (*No Filing or Stamp Taxes*), paragraphs (a), (b) and (c) of Clause 17.10 (*No Misleading Information*), paragraph (c) of Clause 17.11 (*Financial Statements*) and Clause 17.12 (*Pari Passu Ranking*).

“**Representative**” means any delegate, agent, manager, administrator, nominee, attorney, trustee or custodian.

“**Resolution Authority**” means any body which has authority to exercise any Write-down and Conversion Powers.

“**Rollover Loan**” means one or more Facility B Loans:

- (a) made or to be made on the same day that one or more maturing Facility B Loan(s) are due to be repaid;
- (b) the aggregate amount of which is equal to or less than the amount of that maturing Facility B Loan(s); and
- (c) made or to be made to the Borrower for the purpose of refinancing that maturing Facility B Loan.

“**Sanctioned Country**” means a country or territory that is the subject or the target of comprehensive Sanctions (at the time of this Agreement, Cuba, Iran, North Korea, Syria, and the Crimea, the so-called Donetsk People’s Republic and the so-called Luhansk People’s Republic regions of Ukraine).

“**Sanctions**” means any trade, economic or financial sanctions (including export controls) laws, regulations or embargoes enacted, imposed or enforced by (i) the United States, the United Nations, the United Kingdom, the European Union, Switzerland, Hong Kong, the Republic of Singapore, Japan and the PRC and their respective governmental institutions and agencies, or (ii) any Sanctions Authority.

“**Sanctions Authority**” means the governmental institutions and agencies responsible for the administration of Sanctions, including, the European Union, the U.S. Department of the Treasury’s Office of Foreign Assets Control (“**OFAC**”), the U.S. Department of State, the United States Department of Commerce’s Bureau of Industry and Security, the United Nations Security Council (“**UNSC**”), Her Majesty’s Treasury (“**HMT**”), the Secretariat for Economic Affairs of Switzerland, the Hong Kong Monetary Authority (“**HKMA**”) the Monetary Authority of Singapore (“**MAS**”), the Ministry of Finance of Japan and the Ministry of Economy, Trade and Industry of Japan.

“**Sanctions List**” means the “Specially Designated Nationals and Blocked Persons” list publicly issued by OFAC, the “Consolidated List of Financial Sanctions Targets in the UK” publicly issued by Her Majesty’s Treasury, or any similar list issued or maintained and made public by, or any public announcement of a Sanctions designation made by any Sanctions Authority.

“**Sanction Target**” means:

- (a) government of a Sanctioned Country; or
- (b) any individual or entity (i) that appears on any Sanctions list, (ii) is located in, ordinarily resident in, or established under the laws of a Sanctioned Country, or (iii) is directly or indirectly owned or controlled (as defined by the relevant Sanctions Authority, if applicable) by any individuals or entities appearing on any Sanctions List or any governmental agency of a Sanctioned Country.

“**Security**” means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

“**Selection Notice**” means a notice substantially in the form set out in Part 2 of Schedule 3 (*Requests*) given in accordance with Clause 9 (*Interest Periods*) in relation to Facility A.

“**Signing Date**” means the date of this Agreement.

“**Specified Time**” means a day or time determined in accordance with Schedule 7 (*Timetables*).

“**Subsidiary**” means, in relation to any company or corporation, a company or corporation:

- (a) which is controlled, directly or indirectly, by the first mentioned company or corporation;
- (b) more than half the issued equity share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation;
- (c) holds the rights to more than 50 per cent. of the economic interest of the first mentioned company or corporation, including any interest held through any VIE or other contractual arrangement;
- (d) which has a relationship with the first mentioned company or corporation such that its financial statements are consolidated into the financial statements of the first mentioned company or corporation under Accounting Standards Codification subtopic 810-10, *Consolidation: Overall* (including any changes, amendments or supplements thereto) or, if the first mentioned company or corporation prepares its financial statements in accordance with accounting principles other than the GAAP in the US, the equivalent of Accounting Standards Codification subtopic 810-10, *Consolidation: Overall* under such accounting principles; or
- (e) which is a Subsidiary of another Subsidiary of the first mentioned company or corporation,

and, for this purpose, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.

“**Tax**” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

“**Tax Deduction**” has the meaning given to such term in Clause 12.1 (*Tax Definitions*).

“**Term SOFR**” means the term SOFR reference rate administered by CME Group Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the relevant period published (before any correction, recalculation or republication by the administrator) by CME Group Benchmark Administration Limited (or any other person which takes over the publication of that rate).

“**Total Commitments**” means at any time the aggregate of the Total Facility A Commitments and the Total Facility B Commitments (being US\$1,200,000,000 at the Signing Date).

“**Total Facility A Commitments**” means the aggregate of the Facility A Commitments (being US\$900,000,000 at the Signing Date).

“**Total Facility B Commitments**” means the aggregate of the Facility B Commitments (being US\$300,000,000 at the Signing Date).

“**Trading Day**” means, in relation to the shares of the Borrower, a day on which the main board of the HKSE or (as applicable) the Nasdaq Stock Market LLC is open for trading other than a day on which it is scheduled to or does close prior to its regular weekday closing time (and without regard to after hours or any other trading outside of the regular trading session hours).

“**Transfer Certificate**” means a certificate substantially in the form set out in Schedule 4 (*Form of Transfer Certificate*) or any other form agreed between the Agent and the Borrower.

“**Transfer Date**” means, in relation to an assignment or a transfer, the later of:

- (a) the proposed Transfer Date specified in the relevant Assignment Agreement or Transfer Certificate; and
- (b) the date on which the Agent executes the relevant Assignment Agreement or Transfer Certificate.

“**UK Bail-In Legislation**” means Part I of the United Kingdom Banking Act 2009 and any other law or regulation applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (otherwise than through liquidation, administration or other insolvency proceedings).

“**Unpaid Sum**” means any sum due and payable but unpaid by the Borrower under the Finance Documents.

“**US**” means the United States of America.

“**US Government Securities Business Day**” means any day other than:

- (a) a Saturday or a Sunday; and
- (b) a day on which the Securities Industry and Financial Markets Association (or any successor organisation) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in US Government securities.

“**US Tax Obligor**” means a resident for tax purposes in the US.

“**Utilisation**” means a utilisation of a Facility.

“**Utilisation Date**” means the date of a Utilisation, being the date on which the relevant Loan is to be made.

“**Utilisation Request**” means a notice substantially in the form set out in Part 1 of Schedule 3 (*Requests*).

“**VIE**” means (other than the PRC shareholders of a VIE) any person that is a party to a VIE Structure with any member of the Group.

“**VIE Structure**” means, in relation to a VIE, the investment structure a non-PRC investor uses when investing in a PRC company or business that typically operates in a regulated industry. Under such investment structure, the onshore PRC operating entity and its PRC shareholders enter into a number of contracts with the non-PRC investor (or a foreign invested enterprise incorporated in the PRC) and/or its onshore WFOE pursuant to which the non-PRC investor achieves control of the onshore PRC operating entity and also consolidates the financials of the onshore PRC entity with those of the offshore non-PRC investor.

“**Voting Rights**” means, in relation to a Lender, all rights and obligations in relation to its Commitment and participations in the Loans, including all rights in relation to waivers, consents modifications and amendments and confirmations as to satisfaction of conditions precedent.

“**WFOE**” means a wholly foreign owned enterprise incorporated in the PRC.

“**White List**” means the list of persons set out in Schedule 8 (*White List*).

“**Write-down and Conversion Powers**” means:

- (a) in relation to any Bail-In Legislation described in the EU Bail-In Legislation Schedule from time to time, the powers described as such in relation to that Bail-In Legislation in the EU Bail-In Legislation Schedule;
- (b) in relation to any other applicable Bail-In Legislation:
 - (i) any powers under that Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers; and
 - (ii) any similar or analogous powers under that Bail-In Legislation; and
- (c) in relation to any UK Bail-In Legislation:
 - (i) any powers under that UK Bail-In Legislation to cancel, transfer or dilute shares issued by a person that is a bank or investment firm or other financial institution or affiliate of a bank, investment firm or other financial institution, to cancel, reduce, modify or change the form of a liability of such a person or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that UK Bail-In Legislation that are related to or ancillary to any of those powers; and
 - (ii) any similar or analogous powers under that UK Bail-In Legislation.

1.2 Construction

- (a) Unless a contrary indication appears, any reference in this Agreement to:

- (i) any “**Administrative Party**”, the “**Agent**”, any “**Original Mandated Lead Arranger and Bookrunner**”, any “**Mandated Lead Arranger and Bookrunner**”, any “**Lead Arranger**”, any “**Arranger**”, any “**Finance Party**”, any “**Lender**” or any “**Party**” shall be construed so as to include its successors in title, permitted assigns and permitted transferees to, or of, its rights and/or obligations under the Finance Documents;
 - (ii) “**assets**” includes present and future properties, revenues and rights of every description;
 - (iii) “**control**” a person means the power to direct the management and the policies of such person whether through the ownership of voting capital or partnership interest, by contract or otherwise, and/or to control the composition of the board of directors or equivalent body or the partnership management of such person;
 - (iv) “**disposal**” includes a sale, transfer, assignment, grant, lease, licence, declaration of trust or other disposal, whether voluntary or involuntary, and “**dispose**” will be construed accordingly;
 - (v) a “**Finance Document**” or any other agreement or instrument is a reference to that Finance Document or other agreement or instrument as amended, novated, supplemented, extended or restated;
 - (vi) “**including**” shall be construed as “including without limitation” (and cognate expressions shall be construed similarly);
 - (vii) a “**group of Lenders**” includes all the Lenders;
 - (viii) “**indebtedness**” includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;
 - (ix) a Lender’s “**participation**” in a Loan or Unpaid Sum includes an amount (in the currency of such Loan or Unpaid Sum) representing the fraction or portion (attributable to such Lender by virtue of the provisions of this Agreement) of the total amount of such Loan or Unpaid Sum and the Lender’s rights under this Agreement in respect thereof;
 - (x) a “**person**” includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
 - (xi) a “**regulation**” includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
 - (xii) a provision of law is a reference to that provision as amended or re-enacted from time to time; and
 - (xiii) a time of day is a reference to Hong Kong time.
- (b) The determination of the extent to which a rate is “**for a period equal in length**” to an Interest Period shall disregard any inconsistency arising from the last day of that Interest Period being determined pursuant to the terms of this Agreement.
- (c) Section, Clause and Schedule headings are for ease of reference only.

- (d) Unless a contrary indication appears, a term used in any other Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Agreement.
- (e) A Default (other than an Event of Default) is “**continuing**” if it has not been remedied or waived in writing and an Event of Default is “**continuing**” if it has not been waived in writing.
- (f) Where this Agreement specifies an amount in a given currency (the “**specified currency**”) “**or its equivalent**”, the “**equivalent**” is a reference to the amount of any other currency which, when converted into the specified currency utilising the Agent’s spot rate of exchange (or, if the Agent does not have an available spot rate of exchange, any publicly available spot rate of exchange selected by the Agent (acting reasonably)) for the purchase of the specified currency with that other currency at or about 11 a.m. on the relevant date, is equal to the relevant amount in the specified currency.
- (g) Any reference within this Agreement or any other Finance Document to the Agent providing approval or consent or making a request, or to an item or a person or a course of action being acceptable to, satisfactory to, the satisfaction of or approved by or selected by the Agent are to be construed, unless otherwise specified, as references to the Agent taking such action or refraining from acting on the instructions of the Majority Lenders, and reference in this Agreement or any other Finance Document to (i) the Agent acting reasonably, (ii) a matter being in the reasonable opinion of the Agent (iii) the Agent’s approval or consent not being unreasonably withheld or delayed or (iv) any document, report, confirmation or evidence being required to be reasonably satisfactory to the Agent, are to be construed, unless otherwise specified in this Agreement or such other relevant Finance Document, as the Agent acting on the instructions of the Majority Lenders or all Lenders (as applicable) who are acting reasonably or, as the case may be, not unreasonably withholding or delaying their consent.

1.3 Currency Symbols and Definitions

“US\$” and “US dollars” denote the lawful currency of the US. “RMB” denotes the lawful currency of the PRC.

1.4 Third Party Rights

- (a) Unless expressly provided to the contrary in a Finance Document, a person who is not a Party has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623) (the “**Third Parties Ordinance**”) to enforce or to enjoy the benefit of any term of this Agreement.
- (b) Subject to Clause 32.3 (*Other Exceptions*) but otherwise notwithstanding any term of any Finance Document, the consent of any person who is not a Party is not required to rescind or vary this Agreement at any time.

Section 2

The Facilities

2. The Facilities

2.1 The Facilities

Subject to the terms of this Agreement, the Lenders make available to the Borrower:

- (a) a US dollar term loan facility in an aggregate amount equal to the Total Facility A Commitments; and
- (b) a US dollar revolving loan facility in an aggregate amount equal to the Total Facility B Commitments.

2.2 Finance Parties' Rights and Obligations

- (a) The obligations of each Finance Party under the Finance Documents are several. Failure by a Finance Party to perform its obligations under the Finance Documents does not affect the obligations of any other Party under the Finance Documents. No Finance Party is responsible for the obligations of any other Finance Party under the Finance Documents.
- (b) The rights of each Finance Party under or in connection with the Finance Documents are separate and independent rights and any debt arising under the Finance Documents to a Finance Party from the Borrower is a separate and independent debt in respect of which a Finance Party shall be entitled to enforce its rights in accordance with paragraph (c) below. The rights of each Finance Party include any debt owing to that Finance Party under the Finance Documents and, for the avoidance of doubt, any part of a Loan or any other amount owed by the Borrower which relates to a Finance Party's participation in a Facility or its role under a Finance Document (including any such amount payable to the Agent on its behalf) is a debt owing to that Finance Party by the Borrower.
- (c) A Finance Party may, except as specifically provided in the Finance Documents, separately enforce its rights under or in connection with the Finance Documents.

2.3 Contractual Recognition of Bail-in

Notwithstanding any other term of any Finance Document or any other agreement, arrangement or understanding between the Parties, each Party acknowledges and accepts that any liability of any Party to any other Party under or in connection with the Finance Documents may be subject to Bail-In Action by the relevant Resolution Authority and acknowledges and accepts to be bound by the effect of:

- (a) any Bail-In Action in relation to any such liability, including:
 - (i) a reduction, in full or in part, in the principal amount, or outstanding amount due (including any accrued but unpaid interest) in respect of any such liability;
 - (ii) a conversion of all, or part of, any such liability into shares or other instruments of ownership that may be issued to, or conferred on, it; and
 - (iii) a cancellation of any such liability; and
- (b) a variation of any term of any Finance Document to the extent necessary to give effect to any Bail-In Action in relation to any such liability.

3. Purpose

3.1 Purpose

The Borrower shall apply all amounts borrowed by it under the Facilities towards:

- (a) refinancing the existing Financial Indebtedness of the Group;
- (b) funding the general corporate purposes, including but not limited to working capital and capital expenditure of the Group; and
- (c) payment in full of any fees, costs and expenses incurred or required to be paid by the Borrower in connection with the Facilities.

3.2 Monitoring

No Finance Party is bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

4. Conditions of Utilisation

4.1 Initial Conditions Precedent

- (a) The Borrower may not deliver a Utilisation Request unless the Agent has received all of the documents and other evidence listed in Schedule 2 (*Conditions Precedent*) in form and substance satisfactory to the Agent. The Agent shall notify the Borrower and the Lenders promptly upon being so satisfied.
- (b) Other than to the extent that the Majority Lenders notify the Agent in writing to the contrary before the Agent gives the notification described in paragraph (a) above, the Lenders authorise (but do not require) the Agent to give that notification. The Agent shall not be liable for any damages, costs or losses whatsoever as a result of giving any such notification.

4.2 Further Conditions Precedent

- (a) The Lenders will only be obliged to comply with Clause 5.4 (*Lenders' Participation*) if on the date of the Utilisation Request and on the proposed Utilisation Date:
 - (i) in the case of a Rollover Loan, the Borrower has not received written notice from the Agent (acting on the instructions of the Majority Lenders) following an Event of Default which is continuing requiring the Borrower to repay the maturing Loan that is due to be repaid on the proposed Utilisation Date; and
 - (ii) in the case of any other Loan:
 - (A) no Default is continuing or would result from the proposed Loan; and
 - (B) the Repeating Representations are true in all material respects.
- (b) The Lenders will only be obliged to comply with Clause 26.10 (*Change of Currency*) if, on the first day of an Interest Period, no Default is continuing or would result from the change of currency and the Repeating Representations to be made by the Borrower are true in all material respects.

4.3 Maximum Number of Loans

- (a) The Borrower may not deliver a Utilisation Request if as a result of the proposed Utilisation:

- (i) more than two (2) Facility A Loans would be outstanding; or
 - (ii) more than five (5) Facility B Loans would be outstanding.
- (b) The Borrower may not deliver a Utilisation Request for a Facility B Loan unless it has utilised at least one (1) Facility A Loan or has delivered another Utilisation Request to utilise a Facility A Loan on the same proposed Utilisation Date.
- (c) The Borrower may not request that a Facility A Loan or a Facility B Loan be divided.

Section 3

Utilisation

5. Utilisation

5.1 Delivery of a Utilisation Request

The Borrower may utilise a Facility by delivery to the Agent of a duly completed Utilisation Request not later than the Specified Time.

5.2 Completion of a Utilisation Request

- (a) Each Utilisation Request is irrevocable and will not be regarded as having been duly completed unless:
 - (i) it identifies the Facility to be utilised;
 - (ii) the proposed Utilisation Date is a Business Day within the Availability Period applicable to that Facility;
 - (iii) the currency and amount of the Utilisation comply with Clause 5.3 (*Currency and Amount*);
 - (iv) the proposed first Interest Period complies with Clause 9 (*Interest Periods*); and
 - (v) (other than in the case of any Rollover Loan) it specifies the account(s) and bank(s) to which the proceeds of that Loan (other than such portion of the proceeds which are to be deducted for payment of fees, costs and expenses pursuant to paragraph (c) of Clause 3.1 (*Purpose*)) are to be credited **provided that** such account(s) shall be an account of the Borrower.
- (b) Only one Loan may be requested in each Utilisation Request.

5.3 Currency and Amount

- (a) The currency specified in a Utilisation Request must be US dollars.
- (b) The amount of the proposed Loan must be an amount which is not more than the Available Facility and which is a minimum of US\$10,000,000 for Facility A and US\$5,000,000 for Facility B or in either case, if less, the Available Facility.

5.4 Lenders' Participation

- (a) If the conditions set out in Clause 4 (*Conditions of Utilisation*) and Clauses 5.1 (*Delivery of a Utilisation Request*) to 5.3 (*Currency and Amount*) have been met, and (in the case of a Facility B Loan) subject to Clause 6.2 (*Repayment of Facility B Loans*), each Lender shall make its participation in each Loan available by the Utilisation Date through its Facility Office.
- (b) The amount of each Lender's participation in each Loan will be equal to the proportion borne by its Available Commitment to the Available Facility immediately prior to making the Loan.
- (c) The Agent shall notify each Lender of the amount of each Loan, the amount of its participation in that Loan and, in the case of a Facility B Loan and if different, the amount of that participation to be made available in accordance with Clause 26.1 (*Payments to the Agent*), in each case by the Specified Time.

5.5 Cancellation of Available Facility

- (a) The Facility A Commitments which, at that time, are unutilised shall be immediately cancelled at 5 p.m. on the last day of the Availability Period for Facility A.
- (b) The Facility B Commitments which, at that time, are unutilised shall be immediately cancelled at 5 p.m. on the last day of the Availability Period for Facility B.

Section 4

Repayment, Prepayment and Cancellation

6. Repayment

6.1 Repayment of Facility A Loans

- (a) The Borrower must repay the Facility A Loans in full on the Final Repayment Date.
- (b) The Borrower may not reborrow any part of Facility A which is repaid.

6.2 Repayment of Facility B Loans

- (a) The Borrower which has drawn a Facility B Loan shall repay that Loan on the last day of its Interest Period. All Facility B Loans remaining outstanding on the Final Repayment Date shall be repaid in full on the Final Repayment Date.
- (b) Without prejudice to the Borrower's obligation under paragraph (a) above, if:
 - (i) one or more Facility B Loans are to be made available to the Borrower:
 - (A) on the same day that a maturing Facility B Loan is due to be repaid by the Borrower; and
 - (B) in whole or in part for the purpose of refinancing the maturing Facility B Loan; and
 - (ii) the proportion borne by each Lender's participation in the maturing Facility B Loan to the amount of that maturing Facility B Loan is the same as the proportion borne by that Lender's participation in the new Facility B Loans to the aggregate amount of those new Facility B Loans,

the aggregate amount of the new Facility B Loans shall, unless the Borrower notifies the Agent to the contrary in the relevant Utilisation Request, be treated as if applied in or towards repayment of the maturing Facility B Loan so that:

- (A) if the amount of the maturing Facility B Loan exceeds the aggregate amount of the new Facility B Loans:
 - (1) the Borrower will only be required to make a payment under Clause 26.1 (*Payments to the Agent*) in an amount equal to that excess; and
 - (2) each Lender's participation in the new Facility B Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the maturing Facility B Loan and that Lender will not be required to make a payment under Clause 26.1 (*Payments to the Agent*) in respect of its participation in the new Facility B Loans; and
- (B) if the amount of the maturing Facility B Loan is equal to or less than the aggregate amount of the new Facility B Loans:
 - (1) the Borrower will not be required to make a payment under Clause 26.1 (*Payments to the Agent*); and
 - (2) each Lender will be required to make a payment under

Clause 26.1 (*Payments to the Agent*) in respect of its participation in the new Facility B Loans only to the extent that its participation in the new Facility B Loans exceeds that Lender's participation in the maturing Facility B Loan and the remainder of that Lender's participation in the new Facility B Loans shall be treated as having been made available and applied by the Borrower in or towards repayment of that Lender's participation in the maturing Facility B Loan.

7. Prepayment and Cancellation

7.1 Illegality

If, at any time, it is or will become unlawful in any applicable jurisdiction for a Lender to perform any of its obligations as contemplated by this Agreement or to fund or maintain its participation in any Loan or it is or will become unlawful for any Affiliate of a Lender for that Lender to do so:

- (a) that Lender shall promptly notify the Agent upon becoming aware of that event;
- (b) upon the Agent notifying the Borrower, the Available Commitment of that Lender will be immediately cancelled; and
- (c) to the extent that the Lender's participation has not been transferred pursuant to Clause 32.5 (*Replacement of Lender*), the Borrower shall repay that Lender's participation in the Loans made to the Borrower on the last day of the Interest Period for each Loan occurring after the Agent has notified the Borrower or, if earlier, the date specified by the Lender in the notice delivered to the Agent (being no earlier than the last day of any applicable grace period permitted by law) and that Lender's corresponding Commitment(s) shall be immediately cancelled in the amount of the participations repaid.

7.2 Mandatory Prepayment – Listing Event

If a Listing Event occurs:

- (a) the Borrower shall promptly notify the Agent upon becoming aware of that event;
- (b) a Lender shall not be obliged to fund a Utilisation (except for a Rollover Loan); and
- (c) if a Lender so requires and notifies the Agent accordingly after the Borrower's notification to the Agent in respect of that event or the Agent becoming aware of that event, the Agent shall, by not less than 10 Business Days' notice to the Borrower, cancel the Available Commitment (in respect of each Facility) of that Lender and declare the participation(s) of that Lender in all outstanding Loans, together with accrued but unpaid interest and all other amounts accrued in favour of that Lender but unpaid under the Finance Documents, immediately due and payable, whereupon the Available Commitment (in respect of each Facility) of that Lender will be cancelled (and the Commitment (in respect of each Facility) of that Lender will be reduced by the amount of such cancellation of the Available Commitment (in respect of such Facility) of that Lender) and the participation of that Lender in all outstanding Loans (under each Facility), together with accrued but unpaid interest and all such accrued amounts shall become immediately due and payable (and that Lender's corresponding Commitment (in respect of such Facility) shall be cancelled in the amount of the participation repaid).

7.3 Voluntary Cancellation

The Borrower may, if it gives the Agent not less than five (5) Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, cancel the whole or any part (being a minimum amount of US\$10,000,000 and an integral multiple of US\$5,000,000) of an Available Facility. Any cancellation under this Clause 7.3 shall reduce the Commitments of the Lenders rateably under that Facility.

7.4 Voluntary Prepayment of Facility A Loans

- (a) The Borrower may, if it gives the Agent not less than five (5) Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay the whole or any part of any Facility A Loan (but, if in part, being an amount that reduces the amount of the Facility A Loan by a minimum amount of US\$10,000,000 and an integral multiple of US\$5,000,000).
- (b) A Facility A Loan may only be prepaid after the last day of the Availability Period for Facility A (or, if earlier, the day on which the applicable Available Facility is zero).

7.5 Voluntary Prepayment of Facility B Loans

The Borrower may, if it gives the Agent not less than five (5) Business Days' (or such shorter period as the Majority Lenders may agree) prior notice, prepay the whole or any part of a Facility B Loan (but if in part, being an amount that reduces the amount of the Facility B Loan by a minimum amount of US\$10,000,000 and an integral multiple of US\$5,000,000).

7.6 Right of Prepayment and Cancellation in relation to a Single Lender

- (a) If:
 - (i) any sum payable to any Lender by the Borrower is required to be increased under paragraph (a) of Clause 12.2 (*Tax Gross-Up*); or
 - (ii) any Lender claims indemnification from the Borrower under Clause 12.3 (*Tax Indemnity*) or Clause 13.1 (*Increased Costs*),

the Borrower may, whilst the circumstance giving rise to the requirement for that increase or indemnification continues, give the Agent notice of cancellation of the Commitment(s) of that Lender and its intention to procure the prepayment of that Lender's participation in the Loans or give the Agent notice of its intention to replace that Lender in accordance with Clause 32.5 (*Replacement of Lender*).

- (b) On receipt of a notice of cancellation referred to in paragraph (a) above, the Available Commitment(s) of that Lender shall be immediately reduced to zero.
- (c) On the last day of each Interest Period which ends after the Borrower has given notice of cancellation under paragraph (a) above (or, if earlier, the date specified by the Borrower in that notice), the Borrower shall prepay that Lender's participation in that Loan and that Lender's corresponding Commitment(s) shall be immediately cancelled in the amount of the participations repaid.

7.7 Restrictions

- (a) Any notice of cancellation or prepayment given by any Party under this Clause 7 shall be irrevocable and, unless a contrary indication appears in this Agreement, shall specify the date or dates upon which the relevant cancellation or prepayment is to be made and the amount of that cancellation or prepayment.
- (b) Any prepayment under this Agreement shall be made together with accrued interest on

the amount prepaid and, subject to any Break Costs, without premium or penalty.

- (c) The Borrower may not reborrow any part of Facility A which is prepaid.
- (d) Unless a contrary indication appears in this Agreement, any part of Facility B which is repaid or prepaid may be reborrowed in accordance with the terms of this Agreement.
- (e) The Borrower shall not repay or prepay all or any part of the Loans or cancel all or any part of the Commitments except at the times and in the manner expressly provided for in this Agreement.
- (f) No amount of the Total Commitments cancelled under this Agreement may be subsequently reinstated.
- (g) If the Agent receives a notice under this Clause 7 it shall promptly forward a copy of that notice to either the Borrower or the affected Lender, as appropriate.
- (h) If all or part of any Lender's participation in a Loan under Facility A is repaid or prepaid, an amount of that Lender's Commitment (equal to the amount of the participation which is repaid or prepaid) in respect of Facility A will be deemed to be cancelled on the date of repayment or prepayment.

7.8 Application of Prepayments

Any prepayment of a Loan pursuant to Clause 7.4 (*Voluntary Prepayment of Facility A Loans*) or Clause 7.5 (*Voluntary Prepayment of Facility B Loans*) shall be applied *pro rata* to each Lender's participation in that Loan.

Section 5

Costs of Utilisation

8. Interest

8.1 Calculation of Interest

The rate of interest on each Loan for each Interest Period is the percentage rate per annum which is the aggregate of:

- (a) Margin; and
- (b) the applicable Reference Rate.

8.2 Payment of Interest

The Borrower shall pay accrued interest on each Loan on the last day of each Interest Period of such Loan.

8.3 Default Interest

- (a) If the Borrower fails to pay any amount payable by it under a Finance Document on its due date, interest shall accrue on the Unpaid Sum from the due date to the date of actual payment (both before and after judgment) at a rate which is, subject to paragraph (b) below, two per cent. (2.0%) per annum higher than the rate which would have been payable if the Unpaid Sum had, during the period of non-payment, constituted a Loan in the currency of the Unpaid Sum for successive Interest Periods, each of a duration selected by the Agent (acting reasonably). Any interest accruing under this Clause 8.3 shall be immediately payable by the Borrower on demand by the Agent.
- (b) If any Unpaid Sum consists of all or part of a Loan which became due on a day which was not the last day of an Interest Period relating to that Loan:
 - (i) the first Interest Period for that Unpaid Sum shall have a duration equal to the unexpired portion of the current Interest Period relating to that Loan; and
 - (ii) the rate of interest applying to the Unpaid Sum during that first Interest Period shall be two per cent. (2.0%) per annum higher than the rate which would have applied if the Unpaid Sum had not become due.
- (c) Default interest (if unpaid) arising on an Unpaid Sum will be compounded with the Unpaid Sum at the end of each Interest Period applicable to that Unpaid Sum but will remain immediately due and payable.

8.4 Notification of Rates of Interest

- (a) The Agent shall promptly notify the relevant Lenders and the Borrower of the determination of a rate of interest under this Agreement.
- (b) In respect of any Fallback Interest Payment, the Agent shall promptly upon a Fallback Interest Payment being determinable notify:
 - (i) the Borrower of that Fallback Interest Payment; and
 - (ii) each relevant Lender of the proportion of that Fallback Interest Payment which relates to that Lender's participation in the relevant Loan.
- (c) The Agent shall promptly notify the Borrower of each Funding Rate relating to a Loan.

- (d) This Clause 8.4 shall not require the Agent to make any notification to any Party on a day which is not a Business Day.

9. Interest Periods

9.1 Selection of Interest Periods

- (a) The Borrower may select an Interest Period for a Loan in the Utilisation Request for that Loan or (if the Loan is a Facility A Loan which has already been borrowed) in a Selection Notice.
- (b) Each Selection Notice for a Facility A Loan is irrevocable and must be delivered to the Agent by the Borrower to which that Facility A Loan was made not later than the Specified Time.
- (c) If the Borrower fails to deliver a Selection Notice to the Agent in accordance with paragraph (b) above, the relevant Interest Period will be three (3) Months.
- (d) Subject to this Clause 9, the Borrower may select an Interest Period of one (1) or three (3) Months.
- (e) An Interest Period for a Loan shall not extend beyond the Final Repayment Date applicable to its Facility.
- (f) Each Interest Period for a Facility A Loan shall start on the Utilisation Date or (if a Facility A Loan has already been made) on the last day of the preceding Interest Period of such Loan.
- (g) A Facility B Loan has one Interest Period only which shall start on the Utilisation Date of that Facility B Loan.
- (h) If, pursuant to this Clause 9.1, the Borrower and the Agent (acting on the instructions of all the Lenders in relation the relevant Loan) agree an Interest Period that is not one or three Months and such Interest Period is (i) shorter than one Month, the Reference Rate shall be one Month Term SOFR, or (ii) longer than one Month, the Reference Rate shall be three Month Term SOFR.

9.2 Non-Business Days

If an Interest Period would otherwise end on a day which is not a Business Day, that Interest Period will instead end on the next Business Day in that calendar month (if there is one) or the preceding Business Day (if there is not).

10. Changes to the Calculation of Interest

10.1 Unavailability of Term SOFR

- (a) *Shortened Interest Period:* If no Term SOFR is available for the Interest Period of a Loan, the Interest Period of that Loan shall (if it is longer than the applicable Fallback Interest Period) be shortened to the applicable Fallback Interest Period and the applicable Reference Rate for that shortened Interest Period shall be determined pursuant to the definition of “**Reference Rate**”.
- (b) *Shortened Interest Period and Historic Term SOFR:* If the Interest Period of a Loan is, after giving effect to paragraph (a) above, either the applicable Fallback Interest Period or shorter than the applicable Fallback Interest Period and, in either case, no Term SOFR is available for the Interest Period of that Loan, the applicable Reference Rate

shall be the Historic Term SOFR for that Loan.

- (c) *Cost of Funds*: If paragraph (b) above applies but the Historic Term SOFR is not available for the Interest Period of the relevant Loan, there shall be no Reference Rate for that Loan and Clause 10.3 (*Cost of funds*) shall apply to that Loan for that Interest Period.

10.2 Market Disruption

If before 5 p.m. in Hong Kong on the Business Day immediately following the Quotation Day for the relevant Interest Period the Agent receives notifications from a Lender or Lenders (whose participations in a Loan exceed 35 per cent. of that Loan) that the cost to it of funding its participation in that Loan would be in excess of the interest rate otherwise payable on that Loan in accordance with the provisions hereof (excluding any borrower specific risk premium) then Clause 10.3 (*Cost of Funds*) shall apply to that Loan for the relevant Interest Period.

10.3 Cost of Funds

- (a) If this Clause 10.3 applies, the rate of interest on the relevant Loan for the relevant Interest Period shall be the percentage rate per annum which is the sum of:
 - (i) the Margin; and
 - (ii) the weighted average of the rates notified to the Agent by each Lender as soon as practicable and in any event by 5 p.m. on the date falling five (5) Business Days after the Quotation Day, to be that which expresses as a percentage rate per annum the cost to the relevant Lender of funding its participation in that Loan from whatever source it may reasonably select.
- (b) If this Clause 10.3 applies and the Agent or the Borrower so requires, the Agent and the Borrower shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing a substitute basis for determining the rate of interest.
- (c) Any alternative basis agreed pursuant to paragraph (b) above shall, with the prior consent of all the Lenders and the Borrower, be binding on all Parties.
- (d) If this Clause 10.3 applies pursuant to Clause 10.2 (*Market Disruption*) and:
 - (i) a Lender's Funding Rate is less than the Market Disruption Rate; or
 - (ii) a Lender does not supply a quotation by the time specified in paragraph (a)(ii) above,the cost to that Lender of funding its participation in that Loan for that Interest Period shall be deemed, for the purposes of paragraph (a) above, to be the Market Disruption Rate.
- (e) If this Clause 10.3 applies pursuant to Clause 10.1 (*Unavailability of Term SOFR*) but any Lender does not supply a quotation by the time specified in paragraph (a)(ii) above the rate of interest shall be calculated on the basis of the quotations of the remaining Lenders.

10.4 Notification to Borrower

If Clause 10.3 (*Cost of Funds*) applies the Agent shall, as soon as is practicable, notify the Borrower.

10.5 Break Costs

- (a) The Borrower shall, within three (3) Business Days of demand by the Agent (for account of a Finance Party) pay to the Agent (for account of that Finance Party) its Break Costs attributable to all or any part of a Loan or Unpaid Sum being paid by the Borrower on a day other than the last day of an Interest Period for that Loan or Unpaid Sum.
- (b) Each Lender shall, as soon as reasonably practicable after a demand by the Agent, provide a certificate confirming the amount of its Break Costs for any Interest Period in which they accrue.

11. Fees

11.1 Commitment Fee for Facility B

- (a) The Borrower shall pay to the Agent (for the account of each Lender) a fee computed and accruing on a daily basis at the rate of zero point two five per cent. (0.25%) per annum on the undrawn and uncanceled amount of each Lender's Commitment under Facility B for the Commitment Fee Period (Facility B) at 5 p.m. (Hong Kong time) on each day of the Commitment Fee Period (Facility B) (or, if any such day shall not be a Business Day, at 5 p.m. (Hong Kong time) on the immediately preceding Business Day).
- (b) The accrued commitment fee is payable:
 - (i) on the last day of each successive period of three (3) Months which ends during the Commitment Fee Period (Facility B);
 - (ii) on the last day of the Commitment Fee Period (Facility B); and
 - (iii) if a Lender's Commitment is reduced to zero before the last day of the Availability Period of the Facility B, on the day on which such reduction to zero becomes effective.

11.2 Arrangement Fee

The Borrower shall pay to the Agent (for the account of each of the Original Mandated Lead Arrangers and Bookrunners) an arrangement fee in the amount and at the times agreed in a Fee Letter.

11.3 Agency Fee

The Borrower shall pay to the Agent (for its own account) an agency fee in the amount and at the times agreed in a Fee Letter.

Section 6

Additional Payment Obligations

12. Tax Gross-up and Indemnities

12.1 Tax Definitions

In this Clause 12:

“**Tax Credit**” means a credit against, relief or remission for, or repayment of any Tax.

“**Tax Deduction**” means a deduction or withholding for or on account of Tax from a payment under a Finance Document, other than a FATCA Deduction.

“**Tax Payment**” means an increased payment made by the Borrower to a Finance Party under Clause 12.2 (*Tax Gross-Up*) or a payment under Clause 12.3 (*Tax Indemnity*).

Unless a contrary indication appears, in this Clause 12 a reference to “**determines**” or “**determined**” means a determination made in the absolute discretion of the person making the determination.

12.2 Tax Gross-Up

- (a) All payments to be made by the Borrower to any Finance Party under the Finance Documents shall be made free and clear of and without any Tax Deduction unless the Borrower is required to make a Tax Deduction, in which case the sum payable by the Borrower (in respect of which such Tax Deduction is required to be made) shall be increased to the extent necessary to ensure that such Finance Party receives a sum net of any deduction or withholding equal to the sum which it would have received had no such Tax Deduction been made or required to be made.
- (b) The Borrower shall promptly upon becoming aware that the Borrower must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Agent accordingly. Similarly, a Lender shall notify the Agent on becoming so aware in respect of a payment payable to that Lender. If the Agent receives such notification from a Lender it shall notify the Borrower.
- (c) If the Borrower is required to make a Tax Deduction, the Borrower shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (d) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Borrower making that Tax Deduction shall deliver to the Agent for the Finance Party entitled to the payment evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

12.3 Tax Indemnity

- (a) Without prejudice to Clause 12.2 (*Tax Gross-Up*), if any Finance Party is required to make any payment of or on account of Tax on or in relation to any sum received or receivable under the Finance Documents (including any sum deemed for the purposes of Tax to be received or receivable by such Finance Party whether or not actually received or receivable) or if any liability in respect of any such payment is asserted, imposed, levied or assessed against any Finance Party, the Borrower shall, within three Business Days of demand of the Agent, promptly indemnify the Finance Party which suffers a loss or liability as a result against such payment or liability, together with any

interest, penalties, costs and expenses payable or incurred in connection therewith, *provided that* this Clause 12.3 shall not apply to:

- (i) any Tax imposed on and calculated by reference to the net income actually received or receivable by such Finance Party (but, for the avoidance of doubt, not including any sum deemed for the purposes of Tax to be received or receivable by such Finance Party but not actually receivable) by the jurisdiction in which such Finance Party is incorporated;
 - (ii) any Tax imposed on and calculated by reference to the net income of the Facility Office of such Finance Party actually received or receivable by such Finance Party (but, for the avoidance of doubt, not including any sum deemed for the purposes of Tax to be received or receivable by such Finance Party but not actually receivable) by the jurisdiction in which its Facility Office is located; or
 - (iii) a FATCA Deduction required to be made by a Party.
- (b) A Finance Party intending to make a claim under paragraph (a) above shall notify the Agent of the event giving rise to the claim, whereupon the Agent shall notify the Borrower thereof.
 - (c) A Finance Party shall, on receiving a payment from the Borrower under this Clause 12.3, notify the Agent.

12.4 Tax Credit

If the Borrower makes a Tax Payment and the relevant Finance Party determines that:

- (a) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and
- (b) that Finance Party has obtained and utilised that Tax Credit,

the Finance Party shall pay an amount to the Borrower which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Borrower.

12.5 Stamp Taxes

The Borrower shall:

- (a) pay all stamp duty, registration and other similar Taxes payable in respect of any Finance Document; and
- (b) within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to any stamp duty, registration or other similar Tax paid or payable in respect of any Finance Document,

provided that the Borrower shall not be liable for any stamp duty imposed in the Cayman Islands as a result of the actions of any Finance Party other than those relating to legal proceedings in the Cayman Islands in connection with the Facilities or the Finance Documents.

12.6 Indirect Tax

- (a) All amounts set out or expressed in a Finance Document to be payable by any Party to a Finance Party shall be deemed to be exclusive of any Indirect Tax. If any Indirect Tax is chargeable on any supply made by any Finance Party to any Party in connection with a Finance Document, that Party shall pay to the Finance Party (in addition to and

at the same time as paying the consideration) an amount equal to the amount of the Indirect Tax.

- (b) Where a Finance Document requires any Party to reimburse or indemnify a Finance Party for any costs or expenses, that Party shall also at the same time pay and indemnify the Finance Party against all Indirect Tax incurred by that Finance Party in respect of the costs or expenses to the extent that the Finance Party reasonably determines that it is not entitled to credit or repayment in respect of the Indirect Tax.

12.7 FATCA Information

- (a) Subject to paragraph (c) below, each Party shall, within 10 Business Days of a reasonable request by another Party:
 - (i) confirm to that other Party whether it is:
 - (A) a FATCA Exempt Party; or
 - (B) not a FATCA Exempt Party;
 - (ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and
 - (iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.
- (b) If a Party confirms to another Party pursuant to paragraph (a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.
- (c) Paragraph (a) above shall not oblige any Finance Party to do anything, and paragraph (a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:
 - (i) any law or regulation;
 - (ii) any fiduciary duty; or
 - (iii) any duty of confidentiality.
- (d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with paragraph (a)(i) or (a)(ii) above (including, for the avoidance of doubt, where paragraph (c) above applies), then such Party shall be treated for the purposes of the Finance Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.
- (e) If the Borrower is a US Tax Obligor or the Agent reasonably believes that its obligations under FATCA or any other applicable law or regulation require it, each Lender shall, within 10 Business Days supply to the Agent:
 - (i) where an Original Borrower is a US Tax Obligor and the relevant Lender is an Original Lender, the date of this Agreement;

- (ii) where a Borrower is a US Tax Obligor on a date on which any other Lender becomes a Party as a Lender, that date;
- (iii) the date a new US Tax Obligor accedes as a Borrower; or
- (iv) where a Borrower is not a US Tax Obligor, the date of a request from the Agent,

supply to the Agent:

- (A) a withholding certificate on Form W-8, Form W-9 or any other relevant form; or
 - (B) any withholding statement or other document, authorisation or waiver as the Agent may require to certify or establish the status of such Lender under FATCA or that other law or regulation.
- (f) The Agent shall provide any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) above to the Borrower.
 - (g) If any withholding certificate, withholding statement, document, authorisation or waiver provided to the Agent by a Lender pursuant to paragraph (e) above is or becomes materially inaccurate or incomplete, that Lender shall promptly update it and provide such updated withholding certificate, withholding statement, document, authorisation or waiver to the Agent unless it is unlawful for the Lender to do so (in which case the Lender shall promptly notify the Agent). The Agent shall provide any such updated withholding certificate, withholding statement, document, authorisation or waiver to the Borrower.
 - (h) The Agent may rely on any withholding certificate, withholding statement, document, authorisation or waiver it receives from a Lender pursuant to paragraph (e) or (g) above without further verification. The Agent shall not be liable for any action taken by it under or in connection with paragraph (e), (f) or (g) above.

12.8 FATCA Deduction

- (a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.
- (b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify the Borrower and the Agent and the Agent shall notify the other Finance Parties.

13. Increased Costs

13.1 Increased Costs

- (a) Subject to Clause 13.3 (*Exceptions*) the Borrower shall, within three (3) Business Days of a demand by the Agent, pay for the account of a Finance Party the amount of any Increased Costs incurred by that Finance Party or any of its Affiliates as a result of:

- (i) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation;
- (ii) compliance with any law or regulation; or
- (iii) the implementation or application of or compliance with Basel III or CRD IV, or any other law or regulation which implements Basel III or CRD IV (whether such implementation, application or compliance is by a government, regulator, a Finance Party or any of its Affiliates),

in each case, made after the Signing Date.

The terms “law” and “regulation” in this paragraph (a) shall include any law or regulation concerning capital adequacy, prudential limits, liquidity, reserve assets or Tax.

- (b) In this Agreement:

“**Basel III**” means:

- (i) the agreements on capital requirements, a leverage ratio and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;
- (ii) the rules for global systemically important banks contained in “Global systemically important banks: assessment methodology and the additional loss absorbency requirement – Rules text” published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and
- (iii) any further guidance or standards published by the Basel Committee on Banking Supervision relating to “Basel III”.

“**CRD IV**” means:

- (i) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms; and
- (ii) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.

“**Increased Costs**” means:

- (i) a reduction in the rate of return from a Facility or on a Finance Party’s (or its Affiliate’s) overall capital (including as a result of any reduction in the rate of return on capital brought about by more capital being required to be allocated by such Finance Party);
- (ii) an additional or increased cost; or
- (iii) a reduction of any amount due and payable under any Finance Document,

which is incurred or suffered by a Finance Party or any of its Affiliates to the extent that it is attributable to the undertaking, funding or performance by such Finance Party

of any of its obligations under any Finance Document or any participation of such Finance Party in any Loan or Unpaid Sum.

13.2 Increased Cost Claims

- (a) A Finance Party (other than the Agent) intending to make a claim pursuant to Clause 13.1 (*Increased Costs*) shall notify the Agent of the event giving rise to the claim, following which the Agent shall promptly notify the Borrower.
- (b) Each Finance Party (other than the Agent) shall, as soon as practicable after a demand by the Agent, provide a certificate confirming the amount of its Increased Costs.

13.3 Exceptions

Clause 13.1 (*Increased Costs*) does not apply to the extent any Increased Cost is:

- (a) attributable to a Tax Deduction required by law to be made by the Borrower;
- (b) attributable to a FATCA Deduction required to be made by a Party;
- (c) compensated for by Clause 12.3 (*Tax Indemnity*) (or would have been compensated for under Clause 12.3 (*Tax Indemnity*) but was not so compensated solely because any of the exclusions in paragraph (a) of Clause 12.3 (*Tax Indemnity*) applied);
- (d) attributable to the wilful breach by the relevant Finance Party or its Affiliates of any law or regulation;
- (e) attributable to the implementation or application of, or compliance with, Basel III or CRD IV to the extent that a Finance Party knew about or could reasonably be expected to have known the amounts of such Increased Costs at the time it becomes a Party;
- (f) attributable to compliance by the relevant Finance Party or its Affiliates with the reserve requirement ratio or any similar measures imposed by the People's Bank of China; or
- (g) attributable to any penalty having been imposed by the relevant central bank or monetary or fiscal authority upon a Finance Party (or any Affiliate of it) by virtue of it having exceeded any country or sector borrowing limits or breached any directives imposed upon it.

14. Mitigation by the Lenders

14.1 Mitigation

- (a) Each Finance Party shall, in consultation with the Borrower, take all reasonable steps to mitigate any circumstances which arise and which would result in any amount becoming payable under or pursuant to, or cancelled pursuant to, any of Clause 7.1 (*Illegality*), Clause 12 (*Tax Gross-Up and Indemnities*) or Clause 13 (*Increased Costs*), including in relation to any circumstances which arise following the Signing Date, transferring its rights and obligations under the Finance Documents to another Affiliate or Facility Office.
- (b) Paragraph (a) above does not in any way limit the obligations of the Borrower under the Finance Documents.

14.2 Limitation of Liability

- (a) The Borrower shall promptly indemnify each Finance Party for all costs and expenses reasonably incurred by that Finance Party as a result of steps taken by it under

Clause 14.1 (*Mitigation*).

- (b) A Finance Party is not obliged to take any steps under Clause 14.1 (*Mitigation*) if, in the opinion of that Finance Party (acting reasonably), to do so might be prejudicial to it.

14.3 Conduct of Business by the Finance Parties

No provision of this Agreement will:

- (a) interfere with the right of any Finance Party to arrange its affairs (tax or otherwise) in whatever manner it thinks fit;
- (b) oblige any Finance Party to investigate or claim any credit, relief, remission or repayment available to it or the extent, order and manner of any claim; or
- (c) oblige any Finance Party to disclose any information relating to its affairs (tax or otherwise) or any computations in respect of Tax.

15. Other Indemnities

15.1 Currency Indemnity

- (a) If any sum due from the Borrower under the Finance Documents (a “**Sum**”), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the “**First Currency**”) in which that Sum is payable into another currency (the “**Second Currency**”) for the purpose of:
 - (i) making or filing a claim or proof against the Borrower; or
 - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,the Borrower shall as an independent obligation, within three Business Days of demand, indemnify each Finance Party to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.
- (b) The Borrower waives any right it may have in any jurisdiction to pay any amount under the Finance Documents in a currency or currency unit other than that in which it is expressed to be payable.

15.2 Other Indemnities

The Borrower shall, within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability incurred by that Finance Party as a result of:

- (a) the occurrence of any Event of Default;
- (b) the Information Memorandum or any other information produced or approved by the Borrower being or being alleged to be misleading and/or deceptive in any material respect;
- (c) any enquiry from, investigation by, subpoena (or similar order) by or litigation before, in each case, any court or governmental agency with competent jurisdiction with respect to the Borrower or with respect to the transactions financed under this Agreement;

- (d) a failure by the Borrower to pay any amount due under a Finance Document on its due date or in the relevant currency, including any cost, loss or liability arising as a result of Clause 25 (*Sharing among the Finance Parties*);
- (e) funding, or making arrangements to fund, its participation in a Loan requested by a Borrower in a Utilisation Request but not made by reason of the operation of any one or more of the provisions of this Agreement (other than by reason of default or negligence by that Finance Party alone); or
- (f) a Loan (or part of a Loan) not being prepaid in accordance with a notice of prepayment given by the Borrower pursuant to Clause 7.4 (*Voluntary Prepayment of Facility A Loans*) or Clause 7.5 (*Voluntary Prepayment of Facility B Loans*).

15.3 Indemnity to the Agent

- (a) The Borrower shall promptly indemnify the Agent against any cost, loss or liability incurred by the Agent (acting reasonably) as a result of:
 - (i) investigating any event which it reasonably believes is a Default;
 - (ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised; or
 - (iii) instructing lawyers, accountants, tax advisers, surveyors or other professional advisers or experts as permitted under this Agreement.
- (b) The indemnity to the Agent shall survive the termination or expiry of this Agreement and the resignation or replacement of the Agent.

16. Costs and Expenses

16.1 Transaction Expenses

The Borrower shall, within three (3) Business Days of demand, pay the Administrative Parties the amount of all costs and expenses (including legal fees in such amounts agreed by the Borrower) reasonably incurred by any of them in connection with the negotiation, preparation, printing, execution and syndication of:

- (a) this Agreement and any other documents referred to in this Agreement; and
- (b) any other Finance Documents executed after the Signing Date.

16.2 Amendment Costs

If:

- (a) the Borrower requests an amendment, waiver or consent;
- (b) an amendment is required pursuant to Clause 26.10 (*Change of Currency*); or
- (c) an amendment is made pursuant to Clause 32.6 (*Changes to Reference Rates*),

the Borrower shall, within three (3) Business Days of demand, reimburse the Agent for the amount of all costs and expenses (including legal fees in such amounts agreed by the Borrower, **provided**, however, that notwithstanding this Clause and Clause 26.10 (*Change of Currency*), the Agent shall, without liability, not be obliged to act on any such request or amendment unless and until such amounts of legal fees have been agreed by the Borrower in writing) reasonably incurred by the Agent in responding to, evaluating, negotiating or complying with that request or requirement.

16.3 Enforcement Costs

The Borrower shall, within three (3) Business Days of demand, pay to each Finance Party the amount of all costs and expenses (including legal fees) incurred by that Finance Party in connection with the enforcement of, or the preservation of any rights under, any Finance Document.

Section 7

Representations, Undertakings and Events of Default

17. Representations

The Borrower makes the representations and warranties set out in this Clause 17 to each Finance Party on the Signing Date.

17.1 Status

- (a) It is a corporation, duly incorporated and validly existing and in good standing under the law of its jurisdiction of incorporation.
- (b) It and each of its Subsidiaries has the power to own its assets and carry on its business in all material respects as it is being conducted.

17.2 Binding Obligations

The obligations expressed to be assumed by it in each Finance Document are, subject to the Legal Reservations, legal, valid, binding and enforceable obligations.

17.3 Non-Conflict with other Obligations

The entry into and performance by it of, and the transactions contemplated by, the Finance Documents do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any agreement or instrument binding upon it or any of its assets, save to the extent that the same could not reasonably be expected to have a Material Adverse Effect.

17.4 Power and Authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Finance Documents to which it is a party and the transactions contemplated by those Finance Documents.

17.5 Validity and Admissibility in Evidence

All Authorisations required:

- (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party;
- (b) subject to the Legal Reservations, to make the Finance Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
- (c) for it and its Subsidiaries to carry on their business, and which are material,

have been obtained or effected and are in full force and effect.

17.6 Governing Law and Enforcement

- (a) Subject to the Legal Reservations, the choice of Hong Kong law as the governing law of the Finance Documents will be recognised and enforced in its jurisdiction of incorporation.

- (b) Subject to the Legal Reservations, any judgment obtained in Hong Kong in relation to a Finance Document will be recognised and enforced in its jurisdiction of incorporation.

17.7 Deduction of Tax

It is not required under the law applicable where it is incorporated or resident or at the address specified in this Agreement to make any Tax Deduction from any payment it may make under any Finance Document.

17.8 No Filing or Stamp Taxes

Under the law of its jurisdiction of incorporation it is not necessary that the Finance Documents be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to the Finance Documents or the transactions contemplated by the Finance Documents except for:

- (a) stamp duty that will be payable in relation to any Finance Documents which is brought into, executed in or produced before a court of the Cayman Islands; and
- (b) the filing of the transactions contemplated under this Agreement with NDRC pursuant to NDRC Circular 2044.

17.9 No Default

- (a) No Event of Default is continuing or might reasonably be expected to result from the making of any Utilisation.
- (b) No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or any of its Subsidiaries or to which its (or any of its Subsidiaries') assets are subject which might have a Material Adverse Effect.

17.10 No Misleading Information

- (a) Any written factual information contained in or provided by any member of the Group for the purposes of the Information Memorandum was true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.
- (b) Any financial projections contained in the Information Memorandum have been prepared on the basis of recent historical information and on the basis of reasonable assumptions.
- (c) Nothing has occurred or been omitted from the Information Memorandum and no information has been given or withheld that results in the information contained in the Information Memorandum being untrue or misleading in any material respect.
- (d) All written information (other than the Information Memorandum) supplied by any member of the Group was true, complete and accurate in all material respects as at the date it was given and was not misleading in any material respect.

17.11 Financial Statements

- (a) Its financial statements most recently supplied to the Agent (which, at the Signing Date, are its Original Financial Statements) were prepared in accordance with GAAP consistently applied save to the extent expressly disclosed in such financial statements.
- (b) Its financial statements most recently supplied to the Agent (which, at the Signing Date, are its Original Financial Statements) give a true and fair view of (if audited) or fairly represent (if unaudited) its consolidated financial condition and operations for the

period to which they relate, save to the extent expressly disclosed in such financial statements.

- (c) There has been no material adverse change in the business or consolidated financial condition of the Group since 31 December 2021.

17.12 Pari Passu Ranking

Its payment obligations under the Finance Documents rank at least *pari passu* with the claims of all of its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

17.13 No Proceedings Pending or Threatened

- (a) No litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency, which are reasonably likely to be adversely determined and if so adversely determined, might reasonably be expected to have a Material Adverse Effect has or have (to the best of its knowledge and belief) been started or threatened against it or any of its Subsidiaries.
- (b) No judgment or order of a court, arbitral body or agency which might reasonably be expected to have a Material Adverse Effect has (to the best of its knowledge and belief) been made against it or any of its Subsidiaries.

17.14 Authorised Signatures

Any person specified as its authorised signatory under Schedule 2 (*Conditions Precedent*) or paragraph (e) of Clause 18.4 (*Information: Miscellaneous*) is authorised to sign Utilisation Requests, Selection Notices and other notices on its behalf.

17.15 Environmental Laws

- (a) To the best of its knowledge and belief (having made due and careful enquiry), no circumstances have occurred which would prevent the compliance by any member of the Group with Clause 20.7 (*Environmental Compliance*) in a manner or to an extent which has or is reasonably likely to have a Material Adverse Effect.
- (b) No Environmental Claim has been commenced or (to the best of its knowledge and belief (having made due and careful enquiry)) is threatened against any member of the Group where that claim is reasonably likely to be determined against that member of the Group and if adversely determined, has or is reasonably likely to have a Material Adverse Effect.

17.16 Anti-Money Laundering and Anti-Terrorism Financing Laws

The operations of each member of the Group and (to the best of its knowledge) any of the officers, directors, employees or agents acting for or on behalf of any member of the Group are, and have been, conducted at all times in compliance with Anti-Money Laundering and Anti-Terrorism Financing Laws, and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Borrower or a member of the Group with respect to Anti-Money Laundering and Anti-Terrorism Financing Laws is pending and, to the best of the knowledge and belief of each member of the Group having made all reasonable enquiries, no such actions, suits or proceedings are threatened in writing.

17.17 Anti-Bribery and Corruption Conduct

- (a) Each member of the Group has conducted and is conducting its businesses in compliance with the Anti-Bribery and Corruption Laws, and (to the best of the Borrower's knowledge) each of their officers, directors, employees and agents acting

on their behalf and in their capacity as such is in compliance with the Anti-Bribery and Corruption Laws.

- (b) Each member of the Group has instituted and maintained systems, controls, policies and procedures designed to ensure compliance with the Anti-Bribery and Corruption Laws.
- (c) No member of the Group, nor (to the best of the Borrower's knowledge) any of their respective directors, officers, employees or agents (in their capacity as such) has been or is subject to any litigation, arbitration or administrative, regulatory or criminal proceedings or investigation with regard to any actual or alleged unlawful payment, improper transfer of value or other violation of any Anti-Bribery and Corruption Laws and, (to the best of the Borrower's knowledge) no such actions, suits, proceedings, or investigations are threatened or contemplated.

17.18 Sanctions

- (a) No member of the Group has used or intends to use directly or indirectly the proceeds of any Facility hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity:
 - (i) to fund or facilitate any activities of or business with any individual or entity that, at the time of such funding or facilitation, is a Sanction Target;
 - (ii) to fund or facilitate any activities of or business in any Sanctioned Country; or
 - (iii) in any other manner that will result in a violation by any person participating in the transaction, whether as Finance Party or otherwise, of Sanctions.
- (b) No member of the Group nor any of their respective directors, officers, employees, agents, controlled affiliates or other person acting on their behalf is a Sanction Target, or acts directly or indirectly on behalf of a Sanction Target.
- (c) Each member of the Group has instituted and maintain(s) policies and procedures designed to ensure compliance with applicable Sanctions.
- (d) No member of the Group knows or has reason to believe that it is or may become subject of Sanctions-related investigations or juridical proceedings.
- (e) The representations made in this Clause 17.18 shall apply only if and to the extent that they do not result in a violation of the Council Regulation (EC) No. 2271/96 of 22 November 1996, as amended.

17.19 Repetition

The Repeating Representations are deemed to be made by the Borrower by reference to the facts and circumstances then existing on the date of each Utilisation Request and the first day of each Interest Period.

18. Information Undertakings

The undertakings in this Clause 18 remain in force from the Signing Date for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

18.1 Financial Statements

The Borrower shall supply to the Agent in sufficient copies for all the Lenders:

- (a) as soon as the same become available, but in any event within 150 days after the end

of each of its financial years, its audited consolidated financial statements for that financial year; and

- (b) as soon as the same become available, but in any event within 120 days after the end of each quarter of each of its financial years, its unaudited consolidated financial statements for that financial quarter.

Notwithstanding the foregoing, the Borrower will be deemed to have furnished the information and reports referred to above to the Agent if the Borrower has filed such information or reports with the HKSE or the Securities and Exchange Commission and such information and reports are publicly available.

18.2 Compliance Certificate

The Borrower shall supply to the Agent, with each set of financial statements delivered pursuant to paragraph (a) or (b) of Clause 18.1 (*Financial Statements*), a Compliance Certificate setting out (in reasonable detail) computations as to compliance with Clause 19 (*Financial Covenants*) as at the date as at which those financial statements were drawn up and (in the case of each Compliance Certificate supplied with each set of Annual Financial Statements only) set out a list of Principal Controlled Entities.

18.3 Requirements as to Financial Statements

- (a) Each set of financial statements delivered by the Borrower pursuant to Clause 18.1 (*Financial Statements*) shall be certified by a director or a chief financial officer of the Borrower as giving a true and fair view of (in the case of any such financial statements which are audited) or fairly representing (in the case of any such financial statements which are unaudited) its financial condition as at the date as at which those financial statements were drawn up.
- (b) The Borrower shall procure that each set of its financial statements delivered pursuant to Clause 18.1 (*Financial Statements*) is prepared using GAAP, accounting practices and financial reference periods consistent with those applied in the preparation of the Original Financial Statements for the Borrower unless, in relation to any set of financial statements, it notifies the Agent that there has been a change in GAAP, the accounting practices or reference periods and its auditors deliver to the Agent:
 - (i) a description of any change necessary for those financial statements to reflect the GAAP, accounting practices and reference periods upon which the Borrower's Original Financial Statements were prepared; and
 - (ii) sufficient information, in form and substance as may be reasonably required by the Agent, to enable the Lenders to determine whether Clause 19 (*Financial Covenants*) has been complied with and make an accurate comparison between the financial position indicated in those financial statements and the Borrower's Original Financial Statements.

Any reference in this Agreement to those financial statements shall be construed as a reference to those financial statements as adjusted to reflect the basis upon which the Original Financial Statements were prepared.

18.4 Information: Miscellaneous

The Borrower shall supply to the Agent (in sufficient copies for all the Finance Parties, if the Agent so requests):

- (a) all documents dispatched by the Borrower to its creditors generally at the same time as they are despatched;

- (b) promptly upon becoming aware of them, the details of any litigation, arbitration or administrative proceedings which are current, threatened or pending against any member of the Group, and which are likely to be adversely determined and if so adversely determined, would reasonably be expected to have a Material Adverse Effect;
- (c) promptly upon becoming aware of them, the details of any judgment or order of a court, arbitral body or agency which is made against any member of the Group, and which might have a Material Adverse Effect;
- (d) promptly, such further information regarding the financial condition, business and operations of any member of the Group as any Finance Party (through the Agent) may reasonably request; and
- (e) promptly, notice of any change in authorised signatories of the Borrower signed by a director of the Borrower accompanied by specimen signatures of any new authorised signatories.

18.5 Notification of Default

- (a) the Borrower shall notify the Agent of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence.
- (b) Promptly upon a request by the Agent, the Borrower shall supply to the Agent a certificate signed by a director or its chief financial officer on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

18.6 Direct Electronic Delivery by Borrower

The Borrower may satisfy its obligation under this Agreement to deliver any information in relation to a Lender by delivering that information directly to that Lender in accordance with Clause 28.5 (*Electronic Communication*) to the extent that Lender and the Agent agree to this method of delivery.

18.7 “Know your Customer” Checks

- (a) The Borrower shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself or on behalf of any Lender (including for any Lender on behalf of any prospective new Lender)) in order for the Agent, such Lender or any prospective new Lender to conduct all “know your customer” and other similar procedures that it is required (or deems desirable) to conduct.
- (b) Each Lender shall promptly upon the request of the Agent supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Agent (for itself) in order for the Agent to conduct all “know your customer” and other similar procedures that it is required (or deems desirable) to conduct.

18.8 Exceptions

- (a) The Borrower shall not be required to comply with the requirements in Clause 18.4 (*Information: Miscellaneous*) to the extent that:
 - (i) compliance with such requirements may, in the reasonable opinion of the Borrower’s legal counsel, render the Borrower or its Affiliate in breach of any applicable law, regulation, listing rules or any confidentiality obligations to which the Borrower or its Affiliate is subject (other than any such confidentiality obligations entered into by the Borrower intentionally with a

view to circumventing any disclosure obligation under Clause 18.4 (*Information: Miscellaneous*)); or

- (ii) any document or information to be provided pursuant to such requirements is publicly available.
- (b) Notwithstanding any other provision of this Agreement or any other Finance Document, the Borrower shall not be required to provide any document or information or give any notification that may otherwise be required to be provided under any Finance Document if, in the good faith opinion of the Borrower, such document, information or notification (or the contents thereof) is or likely to constitute Material Non-Public Information and no breach of any Finance Document (or any representation or warranty under or in connection with any Finance Document) and no Default or Event of Default shall (or shall be deemed to) occur by virtue of any failure to provide such document, information or notification.

19. Financial Covenants

19.1 Financial definitions

In this Agreement:

“**Acceptable Bank**” means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of A- or higher by Standard & Poor’s Rating Services or Fitch Ratings Ltd or A3 or higher by Moody’s Investors Service Limited or a comparable rating from an internationally recognised credit rating agency;
- (b) any Finance Party;
- (c) a bank or financial institution with which a member of the Group has a bank account at the date of this Agreement; or
- (d) any other bank or financial institution as approved by the Majority Lenders.

“**Borrowings**” means, at any time, the aggregate outstanding principal, capital or nominal amount (and any fixed or minimum premium payable on prepayment or redemption) of any indebtedness of members of the Group for or in respect of:

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any acceptances under any acceptance credit or bill discount facility (or dematerialised equivalent);
- (c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument (including any such securities convertible or exchangeable (whether at the option of the holder thereof or otherwise and whether such conversion is conditional or otherwise) into any shares, capital stock, equity interest or depositary receipt, or any depositary receipt in respect of any such securities, save where the same is convertible at the sole option of the issuer at any time before the Final Repayment Date);
- (d) any Finance Lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirements for de-recognition under GAAP);
- (f) any counter-indemnity obligation in respect of a guarantee, bond, standby or

documentary letter of credit or any other instrument issued by a bank or financial institution in respect of (i) an underlying liability of an entity which is not a member of the Group which liability would fall within one of the other paragraphs of this definition or (ii) any liabilities of any member of the Group relating to any post-retirement benefit scheme;

- (g) any amount raised by the issue of shares which are redeemable (other than at the option of the issuer) before the Final Repayment Date or are otherwise classified as borrowings under GAAP;
- (h) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind the entry into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 90 days after the date of supply;
- (i) any amount raised under any other transaction (including any forward sale or purchase agreement, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under GAAP; and
- (j) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above.

“**Cash**” means, at any time, cash in hand or at bank and (in the latter case) credited to an account in the name of a member of the Group with an Acceptable Bank and to which a member of the Group is alone (or together with other members of the Group) beneficially entitled and for so long as:

- (a) that cash is repayable on demand;
- (b) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any member of the Group or of any other person whatsoever or on the satisfaction of any other condition; and
- (c) there is no Security over that cash except for any Security or Quasi-Security described in paragraph (c) of Clause 20.4 (*Negative Pledge*) constituted by a netting or set-off arrangement entered into by members of the Group in the ordinary course of their banking arrangements.

“**Cash Equivalent Investments**” means at any time:

- (a) (x) time deposits, demand deposits, structured bank deposits of a capital protection nature, investments of a principal protection nature or certificates of deposit, in each case, maturing within one year after the relevant date of calculation; or (y) overnight bank deposits and, in each case of (x) and (y), issued or offered by an Acceptable Bank or any wholly-owned Subsidiary of an Acceptable Bank;
- (b) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, Hong Kong, Australia, the Republic of Singapore, Japan, Canada, the PRC, any member state of the European Economic Area or any Participating Member State that has a credit rating of either A-1 or higher by Standard & Poor’s Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody’s Investor Services Limited, or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within one year after the relevant date of calculation;
- (c) commercial paper:

- (i) for which a recognised trading market exists;
 - (ii) that matures within one year after the relevant date of calculation; and
 - (iii) that has a credit rating of either A-1 or higher by Standard & Poor's Rating Services or F1 or higher by Fitch Ratings Ltd or P-1 or higher by Moody's Investor Services Limited, or, if no rating is available in respect of the commercial paper, the issuer or guarantor of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;
- (d) bonds or notes which have not more than one year remaining to maturity and, at the time of acquisition, have a rating of at least A- from Standard & Poor's Rating Services or at least A3 from Moody's Investor Services Limited;
 - (e) any investment in money market funds that (i) invest a substantial part of their assets in cash or securities of the types described in paragraphs (a) to (c) above; and (ii) can be turned into cash on not more than 30 days' notice; or
 - (f) any other debt security approved by the Agent (acting on the instructions of the Majority Lenders),

in each case, to which any Group Member is alone (or together with other Group Members) beneficially entitled at that time and that is not issued or guaranteed by any Group Member or subject to any Security or Quasi-Security described in paragraph (c) of Clause 20.4 (*Negative Pledge*) constituted by a netting or set-off arrangement entered into by members of the Group in the ordinary course of their banking arrangements.

“**Consolidated EBITDA**” means, in respect of any Relevant Period, the “Adjusted EBITDA” as shown in the latest financial statements of the Borrower delivered pursuant to of Clause 18.1 (*Financial Statements*) in respect of that Relevant Period.

“**Consolidated Interest Expenses**” means, for any Relevant Period, the aggregate amount of the accrued interest in respect of Borrowings paid or payable by any member of the Group (calculated on a consolidated basis) in cash or capitalised in respect of that Relevant Period:

- (a) **including** any amortisation of upfront or similar fees in respect of Borrowings (which amortisation is attributable to that Relevant Period);
- (b) **including** the interest (but not the capital) element of payments in respect of Finance Leases;
- (c) **including** any commission, fees, discounts and other finance payments payable by (and deducting any such amounts payable to) any member of the Group under any interest rate hedging arrangement;
- (d) if a Joint Venture (that is not a member of the Group) is accounted for on a proportionate consolidation basis, after **adding** the Group's share of the interest payable of the Joint Venture; and
- (e) taking no account of any unrealised gains or losses on any derivative instruments or financial instruments other than any derivative instruments which are accounted for on a hedge accounting basis;

and so that no amount shall be added (or deducted) more than once.

“**Consolidated Net Debt**” means, at any time, the aggregate amount of all obligations of members of the Group for or in respect of Borrowings at that time but:

- (a) **excluding** any such obligations to any other member of the Group;

- (b) **including**, in the case of Finance Leases only, their capitalised value; and
- (c) **deducting** the aggregate amount of Cash and Cash Equivalent Investment held by any member of the Group at that time,

and so that no amount shall be included or excluded more than once.

“**Finance Lease**” means any lease or hire purchase contract, a liability under which would, in accordance with GAAP, be treated as a balance sheet liability.

“**Financial Year**” means the annual accounting period of the Group ending on or about 31 December in each year.

“**Joint Venture**” means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity.

“**Relevant Period**” means each period of 12 months, ending on or about the last day of the Financial Year and each period of 12 months ending on or about the last day of each financial half-year of the Group.

19.2 Financial Condition

The Borrower shall ensure that:

- (a) the ratio of Consolidated Net Debt on the last day of a Relevant Period to Consolidated EBITDA in respect of that Relevant Period shall not exceed 2:1; and
- (b) the ratio of Consolidated EBITDA to Consolidated Interest Expenses in respect of any Relevant Period shall not be less than 4:1.

19.3 Financial Testing

(a) The financial covenants set out in paragraphs (a) to (b) of Clause 19.2 (*Financial Condition*) shall be calculated in accordance with GAAP and tested semi-annually by reference to each of the financial statements delivered pursuant to Clause 18.1 (*Financial Statements*):

- (i) (in respect of any testing to be conducted at the end of the financial half-year of the Borrower) the financial statements delivered pursuant to paragraph (b) of Clause 18.1 (*Financial Statements*); and
- (ii) (in respect of any testing to be conducted at the end of the Financial Year of the Borrower) the financial statements delivered pursuant to paragraph (a) of Clause 18.1 (*Financial Statements*),

and in each case, each Compliance Certificate delivered pursuant to Clause 18.2 (*Compliance Certificate*) in respect of the Relevant Period.

(b) For the purpose of this Clause 19, no item shall be included or excluded more than once in any calculation.

20. General Undertakings

The undertakings in this Clause 20 remain in force from the Signing Date for so long as any amount is outstanding under the Finance Documents or any Commitment is in force.

20.1 Authorisations

The Borrower shall promptly:

- (a) obtain, comply with and do all that is necessary to maintain in full force and effect; and
- (b) at the request of the Agent, supply certified copies to the Agent of,

any Authorisation required to enable it to perform its obligations under the Finance Documents and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Finance Document.

20.2 Compliance with Laws

The Borrower shall (and shall ensure each other member of the Group will) comply in all respects with all laws to which it may be subject (including without limitation the regulations and rules issued by NDRC), if failure so to comply would reasonably be expected to have a Material Adverse Effect.

20.3 Pari Passu Ranking

The Borrower shall ensure that its payment obligations under the Finance Documents rank and continue to rank at least *pari passu* with the claims of all of its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally.

20.4 Negative Pledge

In this Clause 20.4, “**Quasi-Security**” means an arrangement or transaction described in paragraph (b) below.

- (a) The Borrower shall not (and shall ensure that no other member of the Group will) create or permit to subsist any Security over any of its assets.
- (b) The Borrower shall not (and shall ensure that no other member of the Group will):
 - (i) sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by the Borrower or any other member of the Group;
 - (ii) sell, transfer or otherwise dispose of any of its receivables on recourse terms;
 - (iii) enter into or permit to subsist any title retention arrangement;
 - (iv) enter into or permit to subsist any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or
 - (v) enter into or permit to subsist any other preferential arrangement having a similar effect,in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.
- (c) Paragraphs (a) and (b) above do not apply to:
 - (i) any netting or set-off arrangement entered into by any member of the Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances;
 - (ii) any payment or close-out netting or set-off arrangement pursuant to any hedging transaction entered into by a member of the Group for the purpose of:
 - (A) hedging any risk to which any member of the Group is exposed in its

ordinary course of trading; or

- (B) its interest rate or currency management operations which are carried out in the ordinary course of business and for non-speculative purposes only,

excluding, in each case, any Security or Quasi-Security under a credit support arrangement in relation to a hedging transaction;

- (iii) any lien arising by operation of law and in the ordinary course of trading *provided that* the debt which is secured thereby is paid when due or contested in good faith by appropriate proceedings and properly provisioned;
- (iv) any Security or Quasi-Security created pursuant to any Finance Document;
- (v) any Security or Quasi-Security arising under any retention of title, hire purchase or conditional sale arrangement or arrangements having similar effect in respect of goods supplied to a member of the Group in the ordinary course of trading and on the supplier's standard or usual terms and not arising as a result of any default or omission by any member of the Group; or
- (vi) any Security or Quasi-Security securing indebtedness the principal amount of which (when aggregated with the principal amount of any other indebtedness which has the benefit of Security or Quasi-Security given by any member of the Group other than any permitted under paragraphs (i) to (v) above) does not exceed the higher of US\$500,000,000 (or its equivalent in another currency or currencies) and the amount equal to five per cent. (5%) of the Consolidated Total Assets as at the time of creation of such Security or Quasi-Security.

20.5 Disposals

- (a) The Borrower shall not (and shall ensure that no other member of the Group will), enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer or otherwise dispose of any asset.
- (b) Paragraph (a) above does not apply to any sale, lease, transfer or other disposal:
- (i) made in the ordinary course of trading of the disposing entity;
- (ii) of assets in exchange for other assets comparable or superior as to type, value and quality and for a similar purpose (other than an exchange of a non-cash asset for cash);
- (iii) of any minority equity interests in a company (which is not a member of the Group) made by any Group Member **provided that** (A) the consideration receivable will be in cash only and (B) such disposal is made on arm's length basis;
- (iv) made by a member of the Group to any other member of the Group; or
- (v) where the higher of the market value or consideration receivable (when aggregated with the higher of the market value or consideration receivable for any other sale, lease, transfer or other disposal by members of the Group, other than any permitted under paragraphs (i) to (iv) above) does not exceed US\$200,000,000 (or its equivalent in another currency or currencies) in any financial year.

20.6 Change of Business

The Borrower shall procure that no substantial change is made to the general nature or scope of the business of the Group (taken as a whole) from that carried on by the Group at the Signing Date.

20.7 Environmental Compliance

The Borrower shall (and shall ensure that each member of the Group will):

- (a) comply with all Environmental Laws;
- (b) obtain and maintain all requisite Environmental Permits;
- (c) implement procedures to monitor compliance with and to prevent liability under any Environmental Law, where failure to do so has or is reasonably likely to have a Material Adverse Effect.

20.8 Environmental Claims

The Borrower shall inform the Agent in writing as soon as reasonably practicable upon becoming aware of:

- (a) any Environmental Claim which has been commenced or (to the best of the Borrower's knowledge and belief) is pending or threatened in writing against any member of the Group; or
- (b) any facts or circumstances which are reasonably likely to result in any Environmental Claim being commenced or threatened against any member of the Group,

in each case where such Environmental Claim is reasonably likely to be determined against that member of the Group and if so adversely determined, has or might reasonably be expected to have a Material Adverse Effect.

20.9 Loans and Guarantees

- (a) The Borrower shall not (and shall ensure that no other member of the Group will) make or allow to subsist any loans, grant any credit (save in the ordinary course of business) or give or allow to remain outstanding any guarantee or indemnity (except as required under any of the Finance Documents) to or for the benefit of any person or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligation of any person.
- (b) Paragraph (a) above does not apply to:
 - (i) any loan or advance made to any member of the Group;
 - (ii) any credit extended by any member of the Group in the ordinary course of business and/or any advance payment made in relation to capital expenditure in the ordinary course of business;
 - (iii) any loan or credit constituted by any credit balance at a bank or other financial institution;
 - (iv) any loans made to an employee share option scheme or unit trust scheme (or to directors or other employees for the purposes of participating in such schemes);
 - (v) any guarantees, indemnities or other contingent liabilities incurred or assumed in the ordinary course of business;

- (vi) any loan or credit not otherwise permitted pursuant to the preceding paragraphs so long as the aggregate amount of all such loans and credits does not at any time exceed forty per cent. (40%) of the Consolidated Total Equity as at the time of extension of such loan or credit; and
- (vii) any loan, advance, guarantee or indemnity with the prior written consent of the Agent (acting on the instructions of the Majority Lenders).

20.10 Use of Proceeds

- (a) The Borrower shall apply the proceeds of the Loans towards the purposes set out in, and in the manner stipulated in, Clause 3 (*Purpose*).
- (b) The Borrower shall ensure that no Loan borrowed under the Facility is used in a way in conflict with any applicable laws and regulations (including, where applicable, any PRC laws and regulations relating to cross-border loans and outbound security and guarantee or foreign debts).
- (c) The Borrower shall not (and shall ensure no other member of the Group will) knowingly use (and shall procure that none of its directors, officers or employees will knowingly use) any proceeds of the Loans, whether directly or indirectly:
 - (i) in any manner that would result in the violation by any Party of any Sanctions, Anti-Money Laundering and Anti-Terrorism Financing Laws or Anti-Bribery and Corruption Laws; or
 - (ii) to lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity in a manner that would result in the violation by any Party of any Sanctions, Anti-Money Laundering and Anti-Terrorism Financing Laws or Anti-Bribery and Corruption Laws.

20.11 Sanctions Compliance

The Borrower shall (and shall ensure that each member of the Group will) ensure that proceeds of the Loan will not directly or knowingly indirectly be lent, contributed or otherwise made available to any person or entity (whether or not related to the Borrower or any member of the Group) for the purpose of financing the activities of any person subject to Sanctions or, of any Sanction Target, or for the benefit of any Sanctioned Country.

20.12 Anti-Bribery and Corruption Law

The Borrower shall (and shall ensure that each other member of the Group will) conduct its business in compliance with the Anti-Bribery and Corruption Laws, ensure that each of its or their officers, directors, employees and agents (acting in their capacity as such) will comply with all Anti-Bribery and Corruption Laws and maintain systems, controls, policies and procedures reasonably designed to:

- (a) detect incidences of bribery and corruption; and
- (b) promote compliance with the Anti-Bribery and Corruption Laws.

20.13 NDRC Filing

The Borrower shall, at any time at the request of any Finance Party (through the Agent), at its own cost take whatever actions (including, executing any documents, obtaining any approval and completing any registration, filing or recording) that any such Finance Party may reasonably require in order to assure that all and any legal and regulatory requirement in the PRC applicable to the transactions contemplated under the Finance Documents are duly

complied with, without prejudice to the Borrower's other representations and warranties or covenants relating to its compliance with laws and regulations in the Finance Documents, including the requirement of filing under NDRC Circular 2044.

21. Events of Default

Each of the events or circumstances set out in the following sub-clauses of this Clause 21 (other than Clause 21.14 (*Acceleration*)) is an Event of Default.

21.1 Non-Payment

The Borrower does not pay on the due date any amount payable pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable unless:

- (a) its failure to pay is caused by:
 - (i) administrative or technical error; or
 - (ii) a Disruption Event; and
- (b) payment is made within three (3) Business Days of its due date.

21.2 Financial Covenants

Any requirement of Clause 19 (*Financial Covenants*) is not satisfied.

21.3 Other Obligations

- (a) The Borrower does not comply with any provision of the Finance Documents (other than those referred to in Clause 21.1 (*Non-Payment*) and Clause 21.2 (*Financial Covenants*)).
- (b) No Event of Default under paragraph (a) above in relation to this Clause 21.3 will occur if the failure to comply is capable of remedy and is remedied within fifteen (15) Business Days of the earlier of (A) the Agent giving notice to the Borrower and (B) the Borrower becoming aware of the failure to comply.

21.4 Misrepresentation

- (a) Any representation or statement made or deemed to be made by the Borrower in the Finance Documents or any other document delivered by or on behalf of the Borrower under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.
- (b) No Event of Default under paragraph (a) above in relation to this Clause 21.4 will occur if the misrepresentation or misstatement is capable of remedy and is remedied within fifteen (15) Business Days of the earlier of (A) the Agent giving notice to the Borrower and (B) the Borrower becoming aware of the misrepresentation or misstatement.

21.5 Cross Default

- (a) Any Financial Indebtedness of any member of the Group is not paid when due nor within any originally applicable grace period.
- (b) Any Financial Indebtedness of any member of the Group is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (c) Any commitment for any Financial Indebtedness of any member of the Group is cancelled or suspended by a creditor of any member of the Group as a result of an event

of default (however described).

- (d) Any creditor of any member of the Group becomes entitled to declare any Financial Indebtedness of any member of the Group due and payable prior to its specified maturity as a result of an event of default (however described).

provided that (i) paragraphs (a) to (d) above shall not apply to any Financial Indebtedness that is owing to a member of the Group and (ii) no Event of Default will occur under this Clause 21.5 if the aggregate amount of Financial Indebtedness or commitment for Financial Indebtedness falling within paragraphs (a) to (d) above is less than the higher of (A) US\$50,000,000 (or its equivalent in any other currency or currencies) and (B) the amount equal to five per cent. (5%) of the Consolidated Total Equity as of the time when the relevant events set out under paragraphs (a) to (d) (as applicable) above have occurred.

21.6 Insolvency

- (a) Any Key Entity or any Principal Controlled Entity is or is presumed or deemed to be unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its indebtedness.
- (b) The value of the assets of any Key Entity or any Principal Controlled Entity is less than its liabilities (taking into account contingent and prospective liabilities).
- (c) A moratorium is declared in respect of any indebtedness of any Key Entity or any Principal Controlled Entity.

21.7 Insolvency Proceedings

Any corporate action, legal proceedings or other procedure or step is taken in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Key Entity or any Principal Controlled Entity other than a solvent liquidation or reorganisation of any Key Entity or any Principal Controlled Entity;
- (b) a composition or arrangement with any creditor of any Key Entity or any Principal Controlled Entity, or an assignment for the benefit of creditors generally of any Key Entity or any Principal Controlled Entity or a class of such creditors;
- (c) the appointment of a liquidator (other than in respect of a solvent liquidation of any Key Entity or any Principal Controlled Entity), receiver, administrator, administrative receiver, compulsory manager, provisional supervisor or other similar officer in respect of any Key Entity or any Principal Controlled Entity or any of its respective assets; or
- (d) enforcement of any Security over any assets of any Key Entity or any Principal Controlled Entity,

or any analogous procedure or step is taken in any jurisdiction.

Paragraph (a) above shall not apply to any corporate action, legal proceedings or other procedure or step (brought by any person that is not a member of the Group) which is being contested in good faith and with due diligence and is discharged, stayed or dismissed within 21 days of commencement.

21.8 Creditors' Process

Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of a member of the Group having an aggregate value of not less than the higher of (a) US\$100,000,000 (or its equivalent in any other currency or currencies) and (b) the amount equal to three per cent. (3.0%) of the Consolidated Total Equity as of the time when the such expropriation, attachment, sequestration, distress or execution has been effected and is not discharged within 30 days.

21.9 Unlawfulness and invalidity

- (a) It is or becomes unlawful for the Borrower to perform any of its obligations under the Finance Documents.
- (b) Any obligation or obligations of the Borrower under any Finance Documents are not or cease to be legal, valid, binding or enforceable (subject to the Legal Reservations) and the cessation individually or cumulatively materially and adversely affects the interests of the Lenders under the Finance Documents.
- (c) Any Finance Document ceases to be in full force and effect or is alleged by a party to it (other than a Finance Party) to be ineffective.

21.10 Repudiation and Rescission

The Borrower rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document, or evidences an intention to rescind or repudiate a Finance Document.

21.11 Nationalisation or Expropriation

The authority or ability of any member of the Group to conduct its business is limited or wholly or substantially curtailed by any seizure, expropriation, nationalisation, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to any member of the Group or any of its assets, and taking into account the authority or ability of the Group to conduct its business as a whole, such event has or could reasonably be expected to have a Material Adverse Effect.

21.12 Cessation of Business

The Borrower suspends or ceases to carry on all or a material part of the business of the Group (taken as a whole).

21.13 Material Adverse Change

Any event or circumstance occurs which, in the opinion of the Majority Lenders, has or is reasonably likely to have a Material Adverse Effect.

21.14 Acceleration

On and at any time after the occurrence of an Event of Default which is continuing the Agent may, and shall if so directed by the Majority Lenders, by notice to the Borrower:

- (a) without prejudice to the participations of any Lender in any Loans then outstanding:
 - (i) cancel each Available Commitment of each Lender, whereupon each such Available Commitment shall immediately be cancelled and each Facility shall immediately cease to be available for further utilisation; or
 - (ii) cancel any part of any Commitment (and reduce such Commitment accordingly), whereupon the relevant part shall immediately be cancelled (and the relevant Commitment shall be immediately reduced accordingly);
- (b) declare that all or part of the Loans, together with accrued interest, and all other

amounts accrued or outstanding under the Finance Documents be immediately due and payable, whereupon they shall become immediately due and payable; and/or

- (c) declare that all or part of the Loans be payable on demand, whereupon they shall immediately become payable on demand by the Agent on the instructions of the Majority Lenders.

Section 8

Changes to Parties

22. Changes to the Lenders

22.1 Assignments and Transfers by the Lenders

Subject to this Clause 22:

(a) a Lender (the “Existing Lender”) may:

- (i) assign any of its rights; or
- (ii) transfer by novation any of its rights and obligations,

under the Finance Documents to another bank or financial institution or to a trust, fund or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, securities or other financial assets (the “New Lender”); and

(b) a Lender may sub-participate any of its rights and/or obligations under this Agreement.

22.2 Conditions of Assignment, Transfer or Sub-participation

(a) The consent of the Borrower is required for an assignment, transfer or sub-participation by a Lender, unless the assignment, transfer or sub-participation (where Voting Rights pass) is:

- (i) to another Lender or an Affiliate of any Lender;
- (ii) to an entity listed on the White List or an Affiliate of an entity listed on the White List; or
- (iii) made at a time when an Event of Default has occurred and is continuing.

(b) For the avoidance of doubt, any transfer of credit risk on any Loan through a total return swap, sub-participation or other back-to-back contractual arrangement where Voting Rights do not pass is permitted without the prior consent of the Borrower.

(c) To the extent that the consent of the Borrower is required pursuant to sub-paragraph (a) above, such consent of the Borrower to an assignment, transfer or sub-participation by a Lender must not be unreasonably withheld. The Borrower will be deemed to have given its consent ten (10) Business Days after the Borrower has received the relevant request from that Lender (through the Agent) unless consent is expressly refused by the Borrower within that time.

(d) A transfer will be effective only if the procedure set out in Clause 22.5 (*Procedure for Transfer*) is complied with.

(e) An assignment will be effective only if the procedure and conditions set out in Clause 22.6 (*Procedure for Assignment*) are complied with.

(f) If:

- (i) a Lender assigns or transfers any of its rights or obligations under the Finance Documents or changes its Facility Office; and
- (ii) as a result of circumstances existing at the date such assignment, transfer or change occurs, the Borrower would be obliged to make a payment to the New

Lender or Lender acting through its new Facility Office under Clause 12 (*Tax Gross-up and Indemnities*) or Clause 13 (*Increased Costs*),

then the New Lender or Lender acting through its new Facility Office is only entitled to receive payment under those Clauses to the same extent as the Existing Lender or Lender acting through its previous Facility Office would have been if such assignment, transfer or change had not occurred.

22.3 Assignment or Transfer Fee

The New Lender shall, on the date upon which an assignment or transfer takes effect, pay to the Agent (for its own account) a fee of US\$2,500.

22.4 Limitation of Responsibility of Existing Lenders

- (a) Unless expressly agreed to the contrary, an Existing Lender makes no representation or warranty and assumes no responsibility to a New Lender for:
 - (i) the legality, validity, effectiveness, adequacy or enforceability of the Finance Documents or any other documents;
 - (ii) the financial condition of the Borrower and the Group;
 - (iii) the performance and observance by the Borrower of its obligations under the Finance Documents or any other documents; or
 - (iv) the accuracy of any statements (whether written or oral) made in or in connection with any Finance Document or any other document,and any representations or warranties implied by law are excluded.
- (b) Each New Lender confirms to the Existing Lender and the other Finance Parties that it:
 - (i) has made (and shall continue to make) its own independent investigation and assessment of the financial condition and affairs of the Borrower and its related entities in connection with its participation in this Agreement and has not relied exclusively on any information provided to it by the Existing Lender in connection with any Finance Document; and
 - (ii) will continue to make its own independent appraisal of the creditworthiness of the Borrower and its related entities whilst any amount is or may be outstanding under the Finance Documents or any Commitment is in force.
- (c) Nothing in any Finance Document obliges an Existing Lender to:
 - (i) accept a re-transfer or re-assignment from a New Lender of any of the rights and obligations assigned or transferred under this Clause 22; or
 - (ii) support any losses directly or indirectly incurred by the New Lender by reason of the non-performance by the Borrower of its obligations under the Finance Documents or otherwise.

22.5 Procedure for Transfer

- (a) Subject to the conditions set out in Clause 22.2 (*Conditions of Assignment or Transfer*), a transfer is effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Transfer Certificate delivered to it not less than five (5) Business Days prior to the proposed Transfer Date by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably

practicable after receipt by it of a duly completed Transfer Certificate appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Transfer Certificate.

- (b) The Agent shall not be obliged to execute a Transfer Certificate delivered to it by the Existing Lender and the New Lender unless it is satisfied that it has completed all “know your customer” and other similar procedures that it is required (or deems desirable) to conduct in relation to the transfer to such New Lender.
- (c) On the Transfer Date:
 - (i) to the extent that in the Transfer Certificate the Existing Lender seeks to transfer by novation its rights and obligations under the Finance Documents the Borrower and the Existing Lender shall be released from further obligations towards one another under the Finance Documents and their respective rights against one another under the Finance Documents shall be cancelled (being the “**Discharged Rights and Obligations**”);
 - (ii) the Borrower and the New Lender shall assume obligations towards one another and/or acquire rights against one another which differ from the Discharged Rights and Obligations only insofar as the Borrower and the New Lender have assumed and/or acquired the same in place of the Borrower and the Existing Lender;
 - (iii) the Agent, the Original Mandated Lead Arrangers and Bookrunners, the Mandated Lead Arrangers and Bookrunners, the Lead Arrangers, the Arrangers, the New Lender and other Lenders shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the New Lender been an Original Lender with the rights and/or obligations acquired or assumed by it as a result of the transfer and to that extent the Agent, the Original Mandated Lead Arrangers and Bookrunners, the Mandated Lead Arrangers and Bookrunners, the Lead Arrangers, the Arrangers and the Existing Lender shall each be released from further obligations to each other under the Finance Documents; and
 - (iv) the New Lender shall become a Party as a “**Lender**”.
- (d) The procedure set out in this Clause 22.5 shall not apply to any right or obligation under any Finance Document (other than this Agreement) if and to the extent its terms, or any laws or regulations applicable thereto, provide for or require a different means of transfer of such right or obligation or prohibit or restrict any transfer of such right or obligation, unless such prohibition or restriction shall not be applicable to the relevant transfer or each condition of any applicable restriction shall have been satisfied.

22.6 Procedure for Assignment

- (a) Subject to the conditions set out in Clause 22.2 (*Conditions of Assignment or Transfer*), an assignment may be effected in accordance with paragraph (c) below when the Agent executes an otherwise duly completed Assignment Agreement delivered to it not less than five (5) Business Days prior to the proposed Transfer Date by the Existing Lender and the New Lender. The Agent shall, subject to paragraph (b) below, as soon as reasonably practicable after receipt by it of a duly completed Assignment Agreement appearing on its face to comply with the terms of this Agreement and delivered in accordance with the terms of this Agreement, execute that Assignment Agreement.
- (b) The Agent shall not be obliged to execute an Assignment Agreement delivered to it by the Existing Lender and the New Lender unless it is satisfied that it has completed all “know your customer” and other similar procedures that it is required (or deems

desirable) to conduct in relation to the assignment to such New Lender.

(c) On the Transfer Date:

- (i) the Existing Lender will assign absolutely to the New Lender the rights under the Finance Documents expressed to be the subject of the assignment in the Assignment Agreement;
- (ii) the Existing Lender will be released by the Borrower and the other Finance Parties from the obligations owed by it (the “**Relevant Obligations**”) and expressed to be the subject of the release in the Assignment Agreement; and
- (iii) the New Lender shall become a Party as a “Lender” and will be bound by obligations equivalent to the Relevant Obligations.

(d) Lenders may utilise procedures other than those set out in this Clause 22.6 to assign their rights under the Finance Documents (but not, without the consent of the Borrower or unless in accordance with Clause 22.5 (*Procedure for Transfer*), to obtain a release by the Borrower from the obligations owed to the Borrower by the Lenders nor the assumption of equivalent obligations by a New Lender) *provided that* they comply with the conditions set out in Clause 22.2 (*Conditions of Assignment or Transfer*).

(e) The procedure set out in this Clause 22.6 shall not apply to any right or obligation under any Finance Document (other than this Agreement) if and to the extent its terms, or any laws or regulations applicable thereto, provide for or require a different means of assignment of such right or release or assumption of such obligation or prohibit or restrict any assignment of such right or release or assumption of such obligation, unless such prohibition or restriction shall not be applicable to the relevant assignment, release or assumption or each condition of any applicable restriction shall have been satisfied.

22.7 Copy of Transfer Certificate or Assignment Agreement to Borrower

The Agent shall, as soon as reasonably practicable after it has executed a Transfer Certificate or an Assignment Agreement, send to the Borrower a copy of that Transfer Certificate or Assignment Agreement.

22.8 Existing Consents and Waivers

A New Lender shall be bound by any consent, waiver, election or decision given or made by the relevant Existing Lender under or pursuant to any Finance Document prior to the coming into effect of the relevant assignment or transfer to such New Lender.

22.9 Exclusion of Agent’s Liability

In relation to any assignment or transfer pursuant to this Clause 22, each Party acknowledges and agrees that the Agent shall not be obliged to enquire as to the accuracy of any representation or warranty made by a New Lender in respect of its eligibility as a Lender.

22.10 Assignments and Transfers to Borrower Group

A Lender may not assign or transfer to any Affiliate of the Borrower any of such Lender’s rights or obligations under any Finance Document, except with the prior written consent of the Majority Lenders.

22.11 Security over Lenders’ Rights

In addition to the other rights provided to Lenders under this Clause 22, each Lender may without consulting with or obtaining consent from the Borrower, at any time charge, assign or otherwise create Security in or over (whether by way of collateral or otherwise) all or any of its

rights under any Finance Document to secure obligations of that Lender including:

- (a) any charge, assignment or other Security to secure obligations to a federal reserve or central bank; and
- (b) any charge, assignment or other Security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by that Lender as security for those obligations or securities,

except that no such charge, assignment or Security shall:

- (i) release a Lender from any of its obligations under the Finance Documents or substitute the beneficiary of the relevant charge, assignment or Security for the Lender as a party to any of the Finance Documents; or
- (ii) require any payments to be made by the Borrower other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the relevant Lender under the Finance Documents.

22.12 Mergers and Corporate Reorganisation and Reconstructions

- (a) If a Lender changes its name it shall, at its own costs and within seven (7) Business Days from the date of the name change, provide to the Agent such evidence as the Agent may reasonably require to confirm:
 - (i) the Lenders' new name and the date from which the change has taken effect; and
 - (ii) that the Lender's obligations remain legal, valid, binding and enforceable obligations following the change of name.
- (b) If a Lender is involved in a corporate reorganisation or reconstruction, it shall at its own costs and within seven (7) Business Days from the effective date of such corporate reorganisation or reconstruction, provide to the Agent such evidence as the Agent may reasonably require to confirm that the Lender's obligations remain legal, valid and binding obligations enforceable as against the surviving entity after the corporate reorganisation or reconstruction (**provided that** a SWIFT confirmation together with a copy of the consent to such corporate reorganisation or reconstruction of the relevant regulator in the jurisdiction of the Lender's lending office shall, in the absence of other confirmation, constitute such evidence).
- (c) If a Lender fails to provide and deliver to the Agent the evidence referred to in paragraphs (a) and (b) above, it shall upon the request of the Agent, sign and deliver to the Agent a Transfer Certificate, transferring all its rights and obligations under the Finance Documents to the new entity.

23. Changes to the Borrower

The Borrower may not assign any of its rights or transfer any of its rights or obligations under the Finance Documents, except with the prior written consent of all the Lenders.

Section 9

The Finance Parties

24. Role of the Administrative Parties

24.1 Appointment of the Agent

- (a) Each of the other Finance Parties appoints the Agent to act as its agent under and in connection with the Finance Documents.
- (b) Each of the other Finance Parties authorises the Agent to perform the duties, obligations and responsibilities and to exercise the rights, powers, authorities and discretions specifically given to the Agent under or in connection with the Finance Documents together with any other incidental rights, powers, authorities and discretions.

24.2 Instructions

- (a) The Agent shall:
 - (i) unless a contrary indication appears in a Finance Document, exercise or refrain from exercising any right, power, authority or discretion vested in it as Agent in accordance with any instructions given to it by:
 - (A) all Lenders if the relevant Finance Document stipulates the matter is an all-Lender decision; and
 - (B) in all other cases, the Majority Lenders; and
 - (ii) not be liable for any act (or omission) if it acts (or refrains from acting) in accordance with paragraph (i) above.
 - (b) The Agent shall be entitled to request instructions, or clarification of any instruction, from the Majority Lenders (or, if the relevant Finance Document stipulates the matter is a decision for any other Lender or group of Lenders, from that Lender or group of Lenders) as to whether, and in what manner, it should exercise or refrain from exercising any right, power, authority or discretion. The Agent may refrain from acting unless and until it receives any such instructions or clarification that it has requested.
 - (c) Save in the case of decisions stipulated to be a matter for any other Lender or group of Lenders under the relevant Finance Document and unless a contrary indication appears in a Finance Document, any instructions given to the Agent by the Majority Lenders shall override any conflicting instructions given by any other Parties and will be binding on all Finance Parties.
 - (d) The Agent may refrain from acting in accordance with any instructions of any Lender or group of Lenders until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the Finance Documents and which may include payment in advance) for any cost, loss or liability which it may incur in complying with those instructions.
 - (e) In the absence of instructions, the Agent may act (or refrain from acting) on behalf of the Lenders.
 - (f) The Agent is not authorised to act on behalf of a Lender (without first obtaining that Lender's consent) in any legal or arbitration proceedings relating to any Finance Document.
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24.3 Duties of the Agent

- (a) The Agent's duties under the Finance Documents are solely mechanical and administrative in nature.
- (b) Subject to paragraph (c) below, the Agent shall promptly forward to a Party the original or a copy of any document which is delivered to the Agent for that Party by any other Party.
- (c) Without prejudice to Clause 22.7 (*Copy of Transfer Certificate or Assignment Agreement to Borrower*), paragraph (b) above shall not apply to any Transfer Certificate or any Assignment Agreement.
- (d) Except where a Finance Document specifically provides otherwise, the Agent is not obliged to review or check the adequacy, accuracy or completeness of any document it forwards to another Party.
- (e) If the Agent receives notice from a Party referring to this Agreement, describing a Default and stating that the circumstance described is a Default, it shall promptly notify the other Finance Parties.
- (f) If the Agent is aware of the non-payment of any principal, interest, commitment fee or other fee payable to a Finance Party (other than to any Administrative Party) under this Agreement, it shall promptly notify the other Finance Parties.
- (g) The Agent shall have only those duties, obligations and responsibilities expressly specified in the Finance Documents to which it is expressed to be a party (and no others shall be implied).
- (h) The Agent shall not be liable to account for interest on money paid to it by or recovered from the Borrower. Monies held by the Agent need not be segregated except as required by law.

24.4 Role of the Original Mandated Lead Arrangers and Bookrunners, the Mandated Lead Arrangers and Bookrunners, the Lead Arrangers and the Arrangers

Except as specifically provided in the Finance Documents, each of the Original Mandated Lead Arrangers and Bookrunners, each of the Mandated Lead Arrangers and Bookrunners, each of the Lead Arrangers and each of the Arrangers has no obligations of any kind to any other Party under or in connection with any Finance Document.

24.5 No Fiduciary Duties

- (a) Nothing in any Finance Document constitutes any Administrative Party as a trustee or fiduciary of any other person.
- (b) No Administrative Party shall be bound to account to any Lender for any sum or the profit element of any sum received by it for its own account.

24.6 Business with the Group

- (a) Any Administrative Party may accept deposits from, lend money to and generally engage in any kind of banking or other business with any member of the Group.
- (b) Each of the Lenders hereby irrevocably waives, in favour of the Agent, any conflict of interest which may arise by virtue of the Agent acting in various capacities under the Finance Documents or for other customers of the Agent. Each of the Lenders acknowledges that the Agent and its affiliates (together, the "**Agent Parties**") may have interests in, or may be providing or may in the future provide financial or other services

to other parties with interests which a Lender may regard as conflicting with its interests and may possess information (whether or not material to the Lenders) other than as a result of the Agent acting as Agent under the Finance Documents, that the Agent may not be entitled to share with any Lender.

- (c) Consistent with its long-standing policy to hold in confidence the affairs of its customers, the Agent will not disclose confidential information obtained from any Lender (without its consent) to any of the Agent's other customers nor will it use on the Lender's behalf any confidential information obtained from any other customer. Without prejudice to the foregoing, each of the Lenders agrees that each of the Agent Parties may deal (whether for its own or its customers' account) in, or advise on, securities of any party and that such dealing or giving of advice, will not constitute a conflict of interest for the purposes of the Finance Documents.

24.7 Rights and Discretions of the Agent

- (a) The Agent may:
 - (i) rely on any representation, communication, notice or document believed by it to be genuine, correct and appropriately authorised;
 - (ii) assume that:
 - (A) any instructions received by it from the Majority Lenders, any Lender or any group of Lenders are duly given in accordance with the terms of the Finance Documents; and
 - (B) unless it has received notice of revocation, those instructions have not been revoked; and
 - (iii) rely on a certificate from any person:
 - (A) as to any matter of fact or circumstance which might reasonably be expected to be within the knowledge of that person; or
 - (B) to the effect that such person approves of any particular dealing, transaction, step, action or thing,as sufficient evidence that that is the case and, in the case of paragraph (A) above, may assume the truth and accuracy of that certificate.
- (b) The Agent may assume (unless it has received notice to the contrary in its capacity as agent for the Lenders) that:
 - (i) no Default has occurred (unless it has actual knowledge of a Default arising under Clause 21.1 (*Non-Payment*)); and
 - (ii) any right, power, authority or discretion vested in any Party or any group of Lenders has not been exercised.
- (c) The Agent may engage, and pay for the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts.
- (d) Without prejudice to the generality of paragraph (c) above or paragraph (e) below, the Agent may at any time engage and pay for the services of any lawyers to act as independent counsel to the Agent (and so separate from any lawyers instructed by the Lenders) if the Agent in its reasonable opinion deems this to be necessary.
- (e) The Agent may rely on the advice or services of any lawyers, accountants, tax advisers, surveyors or other professional advisers or experts (whether obtained by the Agent or

by any other Party) and shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever arising as a result of its so relying.

- (f) The Agent may act in relation to the Finance Documents through its officers, employees and agents.
- (g) Unless a Finance Document expressly provides otherwise the Agent may disclose to any other Party any information it reasonably believes it has received as agent under this Agreement.
- (h) Notwithstanding any other provision of any Finance Document to the contrary, no Administrative Party is obliged to do or omit to do anything if it would or might in its reasonable opinion constitute a breach of any law or regulation or a breach of a fiduciary duty or duty of confidentiality.
- (i) Notwithstanding any other provision of any Finance Document to the contrary, the Agent may refrain without liability from doing anything that would or might in its opinion be contrary to any law of any state or jurisdiction (including but not limited to Hong Kong, the United States of America or any jurisdiction forming a part of it and England & Wales) or any directive or regulation of any agency of any such state or jurisdiction and may without liability do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.
- (j) Notwithstanding any provision of any Finance Document to the contrary, the Agent is not obliged to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties, obligations or responsibilities or the exercise of any right, power, authority or discretion if it has grounds for believing the repayment of such funds or adequate indemnity against, or security for, such risk or liability is not reasonably assured to it.

24.8 Responsibility for Documentation

No Administrative Party is responsible or liable for:

- (a) the adequacy, accuracy and/or completeness of any information (whether oral or written) supplied by any Administrative Party, the Borrower or any other person given in or in connection with any Finance Document or the Information Memorandum or the transactions contemplated in the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; or
- (c) any determination as to whether any information provided or to be provided to any Finance Party is non-public information the use of which may be regulated or prohibited by applicable law or regulation relating to insider dealing or otherwise.

24.9 No Duty to Monitor

The Agent shall not be bound to enquire:

- (a) whether or not any Default has occurred;
- (b) as to the performance, default or any breach by any Party of its obligations under any Finance Document; or

- (c) whether any other event specified in any Finance Document has occurred.

24.10 Exclusion of Liability

- (a) Without limiting paragraph (b) below (and without prejudice to any other provision of any Finance Document excluding or limiting the liability of the Agent), the Agent will not be liable for:
 - (i) any damages, costs or losses to any person, any diminution in value, or any liability whatsoever arising as a result of taking or not taking any action under or in connection with any Finance Document, unless directly caused by its gross negligence or wilful misconduct;
 - (ii) exercising, or not exercising, any right, power, authority or discretion given to it by, or in connection with, any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with, any Finance Document, other than by reason of its gross negligence or wilful misconduct; or
 - (iii) without prejudice to the generality of paragraphs (i) and (ii) above, any damages, costs or losses to any person, any diminution in value or any liability whatsoever (but not including any claim based on the fraud of the Agent) arising as a result of:
 - (A) any act, event or circumstance not reasonably within its control; or
 - (B) the general risks of investment in, or the holding of assets in, any jurisdiction, including (in each case) such damages, costs, losses, diminution in value or liability arising as a result of: nationalisation, expropriation or other governmental actions; any regulation, currency restriction, devaluation or fluctuation; market conditions affecting the execution or settlement of transactions or the value of assets (including any Disruption Event); breakdown, failure or malfunction of any third party transport, telecommunications, computer services or systems; natural disasters or acts of God; war, terrorism, insurrection or revolution; or strikes or industrial action.
- (b) No Party (other than the Agent) may take any proceedings against any officer, employee or agent of the Agent in respect of any claim it might have against the Agent or in respect of any act or omission of any kind by that officer, employee or agent in relation to any Finance Document and any officer, employee or agent of the Agent may rely on this paragraph (b) subject to Clause 1.4 (*Third Party Rights*) and the provisions of the Third Parties Ordinance.
- (c) The Agent will not be liable for any delay (or any related consequences) in crediting an account with an amount required under the Finance Documents to be paid by the Agent if the Agent has taken all necessary steps as soon as reasonably practicable to comply with the regulations or operating procedures of any recognised clearing or settlement system used by the Agent for that purpose.
- (d) Nothing in this Agreement shall oblige any Administrative Party to conduct:
 - (i) any “know your customer” or other procedures in relation to any person; or
 - (ii) any check on the extent to which any transaction contemplated by this Agreement might be unlawful for any Lender or for any Affiliate of any Lender,

on behalf of any Lender and each Lender confirms to each Administrative Party that it is solely responsible for any such procedures or check it is required to conduct and that it shall not rely on any statement in relation to such procedures or check made by any Administrative Party.

- (e) Without prejudice to any provision of any Finance Document excluding or limiting the Agent's liability, any liability of the Agent arising under or in connection with any Finance Document shall be limited to the amount of actual loss which has been suffered (as determined by reference to the date of default of the Agent or, if later, the date on which the loss arises as a result of such default) but without reference to any special conditions or circumstances known to the Agent at any time which increase the amount of that loss.
- (f) Notwithstanding anything to the contrary in this Agreement or in any other Finance Document, the Agent shall not in any event be liable for any loss or damage, or any failure or delay in the performance of its obligations hereunder if it is prevented from so performing its obligations by any reason which is beyond the control of the Agent, including, but not limited to, any existing or future law or regulation, any existing or future act of governmental authority, Act of God, flood, war whether declared or undeclared, terrorism, riot, rebellion, civil commotion, strike, lockout, other industrial action, general failure of electricity or other supply, aircraft collision, technical failure, accidental or mechanical or electrical breakdown, computer failure or failure of any money transmission system or any event where, in the reasonable opinion of the Agent, performance of any duty or obligation under or pursuant to this Agreement would or may be illegal or would result in the Agent being in breach of any law, rule, regulation, or any decree, order or judgment of any court, or practice, request, direction, notice, announcement or similar action (whether or not having the force of law) of any relevant government, government agency, regulatory authority, stock exchange or self-regulatory organisation to which the Agent is subject.
- (g) Notwithstanding any other term or provision of this Agreement to the contrary, the Agent shall not be liable under any circumstances for special, punitive, indirect or consequential loss or damage of any kind whatsoever, whether or not foreseeable, or for any loss of business, goodwill, opportunity or profit, whether arising directly or indirectly and whether or not foreseeable, even if the Agent is actually aware of or has been advised of the likelihood of such loss or damage and regardless of whether the claim for such loss or damage is made in negligence, for breach of contract, breach of trust, breach of fiduciary obligation or otherwise. The provisions of this Clause shall survive the termination or expiry of this Agreement or the resignation or removal of the Agent.

24.11 Lenders' Indemnity to the Agent

- (a) Each Lender shall (in proportion to its share of the Total Commitments or, if the Total Commitments are then zero, to its share of the Total Commitments immediately prior to their reduction to zero) indemnify the Agent, within three Business Days of demand, against any cost, loss or liability incurred by the Agent (otherwise than by reason of the Agent's gross negligence or wilful misconduct) in acting as Agent under the Finance Documents (unless the Agent has been reimbursed by the Borrower pursuant to a Finance Document).
- (b) The Lenders' indemnity to the Agent shall survive the termination or expiry of this Agreement and the resignation or replacement of the Agent.

24.12 Resignation of the Agent

- (a) The Agent may resign and appoint one of its Affiliates as successor by giving notice to

the other Finance Parties and the Borrower.

- (b) Alternatively, the Agent may resign by giving 30 days' notice to the other Finance Parties and the Borrower, in which case the Majority Lenders (after consultation with the Borrower) may appoint a successor Agent.
- (c) If the Majority Lenders have not appointed a successor Agent in accordance with paragraph (b) above within 30 days after notice of resignation was given, the retiring Agent (after consultation with the Borrower) may appoint a successor Agent.
- (d) If the Agent wishes to resign because (acting reasonably) it has concluded that it is no longer appropriate for it to remain as agent and the Agent is entitled to appoint a successor Agent under paragraph (c) above, the Agent may (if it concludes (acting reasonably) that it is necessary to do so in order to persuade the proposed successor Agent to become a party to this Agreement as Agent) agree with the proposed successor Agent amendments to this Clause 24 and any other term of this Agreement dealing with the rights or obligations of the Agent consistent with then current market practice for the appointment and protection of corporate trustees together with any reasonable amendments to the agency fee payable under this Agreement which are consistent with the successor Agent's normal fee rates and those amendments will bind the Parties.
- (e) The retiring Agent shall make available to the successor Agent such documents and records and provide such assistance as the successor Agent may reasonably request for the purposes of performing its functions as Agent under the Finance Documents. The Borrower shall, within three Business Days of demand, reimburse the retiring Agent for the amount of all costs and expenses (including legal fees) properly incurred by it in making available such documents and records and providing such assistance.
- (f) The Agent's resignation notice shall only take effect upon the appointment of a successor.
- (g) Upon the appointment of a successor, the retiring Agent shall be discharged from any further obligation in respect of the Finance Documents (other than its obligations under paragraph (e) above) but shall remain entitled to the benefit of Clause 15.3 (*Indemnity to the Agent*) and this Clause 24 (and any agency fees for the account of the retiring Agent shall cease to accrue from (and shall be payable on) that date). Any successor and each of the other Parties shall have the same rights and obligations among themselves as they would have had if such successor had been an original Party.
- (h) After consultation with the Borrower, the Majority Lenders may, by notice to the Agent, require it to resign in accordance with paragraph (b) above. In this event, the Agent shall resign in accordance with paragraph (b) above.
- (i) The Agent shall resign in accordance with paragraph (b) above (and, to the extent applicable, shall use reasonable endeavours to appoint a successor Agent pursuant to paragraph (c) above) if on or after the date which is three (3) months before the earliest FATCA Application Date relating to any payment to the Agent under the Finance Documents:
 - (i) the Agent fails to respond to a request under Clause 12.7 (*FATCA Information*) and a Lender reasonably believes that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date;
 - (ii) the information supplied by the Agent pursuant to Clause 12.7 (*FATCA Information*) indicates that the Agent will not be (or will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date; or
 - (iii) the Agent notifies the Borrower and the Lenders that the Agent will not be (or

will have ceased to be) a FATCA Exempt Party on or after that FATCA Application Date,

and (in each case) a Lender reasonably believes that a Party will be required to make a FATCA Deduction that would not be required if the Agent were a FATCA Exempt Party, and that Lender, by notice to the Agent, requires it to resign.

24.13 Confidentiality

- (a) In acting as agent for the Finance Parties, the Agent shall be regarded as acting through its agency division which shall be treated as a separate entity from any other of its divisions or departments.
- (b) If information is received by another division or department of the Agent, it may be treated as confidential to that division or department and the Agent shall not be deemed to have notice of it.
- (c) The Agent shall not be obliged to disclose to any Finance Party any information supplied to it by the Borrower or any Affiliates of the Borrower on a confidential basis and for the purpose of evaluating whether any waiver or amendment is or may be required or desirable in relation to any Finance Document.

24.14 Relationship with the Lenders

- (a) The Agent may treat the person shown in its records as Lender at the opening of business (in the place of the Agent's principal office as notified to the Finance Parties from time to time) as the Lender acting through its Facility Office:
 - (i) entitled to or liable for any payment due under any Finance Document on that day; and
 - (ii) entitled to receive and act upon any notice, request, document or communication or make any decision or determination under any Finance Document made or delivered on that day,

unless it has received not less than five (5) Business Days' prior notice from that Lender to the contrary in accordance with the terms of this Agreement.

- (b) Any Lender may by notice to the Agent appoint a person to receive on its behalf all notices, communications, information and documents to be made or despatched to that Lender under the Finance Documents. Such notice shall contain the address, fax number and (where communication by electronic mail or other electronic means is permitted under Clause 28.5 (*Electronic Communication*)) electronic mail address and/or any other information required to enable the transmission of information by that means (and, in each case, the department or officer, if any, for whose attention communication is to be made) and be treated as a notification of a substitute address, fax number, electronic mail address (or such other information), department and officer by that Lender for the purposes of Clause 28.2 (*Addresses*) and paragraph (a)(ii) of Clause 28.5 (*Electronic Communication*) and the Agent shall be entitled to treat such person as the person entitled to receive all such notices, communications, information and documents as though that person were that Lender.

24.15 Credit Appraisal by the Lenders

Without affecting the responsibility of the Borrower for information supplied by it or on its behalf in connection with any Finance Document, each Lender confirms to each Administrative Party that it has been, and will continue to be, solely responsible for making its own independent appraisal and investigation of all risks arising under or in connection with any Finance

Document including but not limited to:

- (a) the financial condition, status and nature of each member of the Group;
- (b) the legality, validity, effectiveness, adequacy or enforceability of any Finance Document and any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document;
- (c) whether that Lender has recourse, and the nature and extent of that recourse, against any Party or any of its respective assets under or in connection with any Finance Document, the transactions contemplated by the Finance Documents or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document; and
- (d) the adequacy, accuracy and/or completeness of the Information Memorandum and any other information provided by the Agent, any Party or by any other person under or in connection with any Finance Document, the transactions contemplated by any Finance Document or any other agreement, arrangement or document entered into, made or executed in anticipation of, under or in connection with any Finance Document.

24.16 Agent's Management Time

Any amount payable to the Agent under Clause 15.3 (*Indemnity to the Agent*), Clause 16 (*Costs and Expenses*) and Clause 24.11 (*Lenders' Indemnity to the Agent*) shall include the cost of utilising the Agent's management time or other resources and will be calculated on the basis of such reasonable daily or hourly rates as the Agent may notify to the Borrower and the Lenders, and is in addition to any fee paid or payable to the Agent under Clause 11 (*Fees*).

24.17 Deduction from Amounts Payable by the Agent

If any Party owes an amount to the Agent under the Finance Documents the Agent may, after giving notice to that Party, deduct an amount not exceeding that amount from any payment to that Party which the Agent would otherwise be obliged to make under the Finance Documents and apply the amount deducted in or towards satisfaction of the amount owed. For the purposes of the Finance Documents that Party shall be regarded as having received any amount so deducted.

24.18 Delegation

- (a) The Agent may, at any time, delegate by power of attorney or otherwise to any person for any period, all or any of the rights, powers and discretions vested in it by any of the Finance Documents.
- (b) That delegation may be made upon any terms and conditions (including the power to sub delegate) and subject to any restrictions that the Agent consider, in its discretion, to be appropriate and it shall not be bound to supervise, or be in any way responsible for any loss incurred by reason of any omission, act, misconduct or default on the part of any such delegate, sub-delegate or Representative.

25. Sharing among the Finance Parties

25.1 Payments to Finance Parties

If a Finance Party (a "**Recovering Finance Party**") receives or recovers (whether by set-off or otherwise) any amount from the Borrower other than in accordance with Clause 26 (*Payment Mechanics*) (a "**Recovered Amount**") and applies that amount to a payment due under the Finance Documents then:

- (a) the Recovering Finance Party shall, within three Business Days, notify details of the receipt or recovery to the Agent;
- (b) the Agent shall determine whether the receipt or recovery is in excess of the amount the Recovering Finance Party would have been paid had the receipt or recovery been received or made by the Agent and distributed in accordance with Clause 26 (*Payment Mechanics*), without taking account of any Tax which would be imposed on the Agent in relation to the receipt, recovery or distribution; and
- (c) the Recovering Finance Party shall, within three Business Days of demand by the Agent, pay to the Agent an amount (the “**Sharing Payment**”) equal to such receipt or recovery less any amount which the Agent determines may be retained by the Recovering Finance Party as its share of any payment to be made, in accordance with Clause 26.6 (*Partial Payments*).

25.2 Redistribution of Payments

The Agent shall treat the Sharing Payment as if it had been paid by the Borrower and distribute it between the Finance Parties (other than the Recovering Finance Party) (the “**Sharing Finance Parties**”) in accordance with Clause 26.6 (*Partial Payments*) towards the obligations of the Borrower to the Sharing Finance Parties.

25.3 Recovering Finance Party’s Rights

- (a) On a distribution by the Agent under Clause 25.2 (*Redistribution of Payments*) of a payment received by a Recovering Finance Party from the Borrower, as between the Borrower and the Recovering Finance Party, an amount of the Recovered Amount equal to the Sharing Payment will be treated as not having been paid by the Borrower.
- (b) If and to the extent that the Recovering Finance Party is not able to rely on its rights under paragraph (a) above, the Borrower shall be liable to the Recovering Finance Party for a debt equal to the Sharing Payment which is immediately due and payable.

25.4 Reversal of Redistribution

If any part of the Sharing Payment received or recovered by a Recovering Finance Party becomes repayable and is repaid by that Recovering Finance Party, then:

- (a) each Sharing Finance Party shall, upon request of the Agent, pay to the Agent for the account of that Recovering Finance Party an amount equal to the appropriate part of its share of the Sharing Payment (together with an amount as is necessary to reimburse that Recovering Finance Party for its proportion of any interest on the Sharing Payment which that Recovering Finance Party is required to pay) (the “**Redistributed Amount**”); and
- (b) as between the Borrower and each relevant Sharing Finance Party, an amount equal to the relevant Redistributed Amount will be treated as not having been paid by the Borrower.

25.5 Exceptions

- (a) This Clause 25 shall not apply to the extent that the Recovering Finance Party would not, after making any payment pursuant to this Clause 25, have a valid and enforceable claim against the Borrower.
- (b) A Recovering Finance Party is not obliged to share with any other Finance Party any amount which the Recovering Finance Party has received or recovered as a result of taking legal or arbitration proceedings, if:

- (i) it notified that other Finance Party of the legal or arbitration proceedings; and
- (ii) that other Finance Party had an opportunity to participate in those legal or arbitration proceedings but did not do so as soon as reasonably practicable having received notice and did not take separate legal or arbitration proceedings.

Section 10

Administration

26. Payment Mechanics

26.1 Payments to the Agent

- (a) On each date on which the Borrower or a Lender is required to make a payment under a Finance Document, the Borrower or Lender shall make the same available to the Agent (unless a contrary indication appears in a Finance Document) for value on the due date by 11:00 a.m. local currency time or at the time and in such funds specified by the Agent as being customary at the time for settlement of transactions in the relevant currency in the place of payment.
- (b) Payment shall be made to such account with such bank as the Agent, in each case, specifies.

26.2 Distributions by the Agent

- (a) Each payment received by the Agent under the Finance Documents for another Party shall, subject to Clause 26.3 (*Distributions to the Borrower*) and Clause 26.4 (*Clawback and Pre-Funding*) be made available by the Agent as soon as practicable after receipt to the Party entitled to receive payment in accordance with this Agreement (in the case of a Lender, for the account of its Facility Office), to such account as that Party may notify to the Agent by not less than five Business Days' notice with a bank specified by that Party in the principal financial centre of the country of that currency.
- (b) The Agent shall distribute payments received by it in relation to all or any part of a Loan to the Lender indicated in the records of the Agent as being so entitled on that date *provided that* the Agent is authorised to distribute payments to be made on the date on which any transfer becomes effective pursuant to Clause 22 (*Changes to the Lenders*) to the Lender so entitled immediately before such transfer took place regardless of the period to which such sums relate.

26.3 Distributions to the Borrower

The Agent may (with the consent of the Borrower or in accordance with Clause 27 (*Set-Off*)) apply any amount received by it for the Borrower in or towards payment (on the date and in the currency and funds of receipt) of any amount due from the Borrower under the Finance Documents or in or towards purchase of any amount of any currency to be so applied.

26.4 Clawback and Pre-Funding

- (a) Where a sum is to be paid to the Agent under the Finance Documents for another Party, the Agent is not obliged to pay that sum to that other Party (or to enter into or perform any related exchange contract) until it has been able to establish to its satisfaction that it has actually received that sum.
- (b) Unless paragraph (c) below applies, if the Agent pays an amount to another Party and it proves to be the case that the Agent had not actually received that amount, then the Party to whom that amount (or the proceeds of any related exchange contract) was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.
- (c) If the Agent is willing to make available amounts for the account of a Borrower before receiving funds from the Lenders then if and to the extent that the Agent does so but it

proves to be the case that it does not then receive funds from a Lender in respect of a sum which it paid to a Borrower:

- (i) the Borrower shall on demand refund it to the Agent; and
- (ii) the Lender by whom those funds should have been made available or, if that Lender fails to do so, the Borrower, shall on demand pay to the Agent the amount (as certified by the Agent) which will indemnify the Agent against any funding cost incurred by it as a result of paying out that sum before receiving those funds from that Lender.

26.5 Amounts Paid in Error

- (a) If the Agent pays an amount to another Party and within 15 Business Days of the date of payment the Agent notifies that Party that such payment was an Erroneous Payment then the Party to whom that amount was paid by the Agent shall on demand refund the same to the Agent together with interest on that amount from the date of payment to the date of receipt by the Agent, calculated by the Agent to reflect its cost of funds.
- (b) Neither:
 - (i) the obligations of any Party to the Agent; nor
 - (ii) the remedies of the Agent,
(whether arising under this Clause 26.5 or otherwise) which relate to an Erroneous Payment will be affected by any act, omission, matter or thing (including, without limitation, any obligation pursuant to which an Erroneous Payment is made) which, but for this paragraph (b), would reduce, release, preclude or prejudice any such obligation or remedy (whether or not known by the Agent or any other Party).
- (c) All payments to be made by a Party to the Agent (whether made pursuant to this Clause 26.5 or otherwise) which relate to an Erroneous Payment shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.
- (d) In this Agreement, “**Erroneous Payment**” means a payment of an amount by the Agent to another Party which the Agent determines (in its sole discretion) was made in error.

26.6 Partial Payments

- (a) If the Agent receives a payment that is insufficient to discharge all the amounts then due and payable by the Borrower under the Finance Documents, the Agent shall apply that payment towards the obligations of the Borrower under the Finance Documents in the following order:
 - (i) **first**, in or towards payment *pro rata* of any unpaid amount owing to any Administrative Party under the Finance Documents;
 - (ii) **secondly**, in or towards payment *pro rata* of any accrued interest, fee (other than as provided in paragraph (i) above) or commission due but unpaid under the Finance Documents;
 - (iii) **thirdly**, in or towards payment *pro rata* of any principal due but unpaid under this Agreement; and
 - (iv) **fourthly**, in or towards payment *pro rata* of any other sum due but unpaid under the Finance Documents.
- (b) The Agent shall, if so directed by the Majority Lenders, vary the order set out in paragraphs (a)(ii) to (a)(iv) above.

- (c) Paragraphs (a) and (b) above will override any appropriation made by the Borrower.

26.7 No Set-Off by the Borrower

All payments to be made by the Borrower under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.

26.8 Business Days

- (a) Any payment under the Finance Documents which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).
- (b) During any extension of the due date for payment of any principal or Unpaid Sum under this Agreement, interest is payable on the principal or Unpaid Sum at the rate payable on the original due date.

26.9 Currency of Account

- (a) Subject to paragraphs (b) to (e) below, US dollars is the currency of account and payment for any sum due from the Borrower under any Finance Document.
- (b) A repayment of a Loan or Unpaid Sum or a part of a Loan or Unpaid Sum shall be made in the currency in which that Loan or Unpaid Sum is denominated, pursuant to this Agreement, on its due date.
- (c) Each payment of interest shall be made in the currency in which the sum in respect of which the interest is payable was denominated, pursuant to this Agreement, when that interest accrued.
- (d) Each payment in respect of costs, expenses or Taxes shall be made in the currency in which the costs, expenses or Taxes are incurred.
- (e) Any amount expressed to be payable in a currency other than US dollars shall be paid in that other currency.

26.10 Change of Currency

- (a) Unless otherwise prohibited by law, if more than one currency or currency unit are at the same time recognised by the central bank of any country as the lawful currency of that country, then:
- (i) any reference in the Finance Documents to, and any obligations arising under the Finance Documents in, the currency of that country shall be translated into, or paid in, the currency or currency unit of that country designated by the Agent (after consultation with the Borrower); and
- (ii) any translation from one currency or currency unit to another shall be at the official rate of exchange recognised by the central bank for the conversion of that currency or currency unit into the other, rounded up or down by the Agent (acting reasonably).
- (b) If a change in any currency of a country occurs, this Agreement will, to the extent the Agent (acting reasonably and after consultation with the Borrower) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the Relevant Market and otherwise to reflect the change in currency.

26.11 Disruption to Payment Systems etc.

If either the Agent determines (in its discretion) that a Disruption Event has occurred or the

Agent is notified by the Borrower that a Disruption Event has occurred:

- (a) the Agent may, and shall if requested to do so by the Borrower, consult with the Borrower with a view to agreeing with the Borrower such changes to the operation or administration of the Facility as the Agent may deem necessary in the circumstances;
- (b) the Agent shall not be obliged to consult with the Borrower in relation to any changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, shall have no obligation to agree to such changes;
- (c) the Agent may consult with the Finance Parties in relation to any changes mentioned in paragraph (a) above but shall not be obliged to do so if, in its opinion, it is not practicable to do so in the circumstances;
- (d) any such changes agreed upon by the Agent and the Borrower shall (whether or not it is finally determined that a Disruption Event has occurred) be binding upon the Parties as an amendment to (or, as the case may be, waiver of) the terms of the Finance Documents notwithstanding the provisions of Clause 32 (*Amendments and Waivers*);
- (e) the Agent shall not be liable for any damages, costs or losses to any person, any diminution in value or any liability whatsoever (including for negligence, gross negligence or any other category of liability whatsoever but not including any claim based on the fraud of the Agent) arising as a result of its taking, or failing to take, any actions pursuant to or in connection with this Clause 26.11; and
- (f) the Agent shall notify the Finance Parties of all changes agreed pursuant to paragraph (d) above.

27. Set-Off

A Finance Party may set off any matured obligation due from the Borrower under the Finance Documents (to the extent beneficially owned by that Finance Party) against any matured obligation owed by that Finance Party to the Borrower, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Finance Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

28. Notices

28.1 Communications in Writing

Any communication to be made under or in connection with the Finance Documents shall be made in writing and, unless otherwise stated, may be made by fax or letter.

28.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered under or in connection with the Finance Documents is:

- (a) in the case of the Borrower, as set out below:

Address: 7/F, SINA Plaza, No.8 Courtyard 10 West, Xibeiwang East Road, Haidian District, Beijing 100093

Attention: Investor Relations

Telephone:

Facsimile:

Email:

(b) in the case of each Lender, that notified in writing to the Agent on or prior to the date on which it becomes a Party; and

(c) in the case of the Agent, as set out below:

Address: 9/F, Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong

Attention: Regional Loans Agency

Telephone:

Facsimile:

Email:

or any substitute address, fax number or department or officer as the Party may notify to the Agent (or the Agent may notify to the other Parties, if a change is made by the Agent) by not less than five (5) Business Days' notice.

28.3 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will be effective:

(i) if by way of fax, only when received in legible form; or

(ii) if by way of letter, only when it has been left at the relevant address or five (5) Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;

and, if a particular department or officer is specified as part of its address details provided under Clause 28.2 (*Addresses*), if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Agent will be effective only when actually received by the Agent and then only if it is expressly marked for the attention of the department or officer identified with the Agent's signature below (or any substitute department or officer as the Agent shall specify for this purpose).

(c) All notices from or to the Borrower shall be sent through the Agent.

(d) Any communication or document which becomes effective, in accordance with paragraphs (a) to (c) above, after 5 p.m. in the place of receipt shall be deemed only to become effective on the following day.

28.4 Notification of Address and Fax Number

Promptly upon changing its address or fax number, the Agent shall notify the other Parties (other than the Original Mandated Lead Arrangers and Bookrunners, the Mandated Lead Arrangers and Bookrunners, the Lead Arrangers and the Arrangers).

28.5 Electronic Communication

(a) (Save in the case of any payment instruction or notification of or change to any standing payment instruction of any Lender which must be made or notified to the Agent by letter in original) any communication or document to be made or delivered by one Party to another under or in connection with the Finance Documents may be made or

delivered by encrypted or non-encrypted electronic mail or other electronic means (including by way of posting to a secure website) if those two Parties:

- (i) notify each other in writing of their electronic mail address and/or any other information required to enable the transmission of information by that means; and
 - (ii) notify each other of any change to their address or any other such information supplied by them by not less than five Business Days' notice.
- (b) Any such electronic communication or delivery as specified in paragraph (a) above to be made between the Borrower and a Finance Party may only be made in that way to the extent that those two Parties agree that, unless and until notified to the contrary, this is to be an accepted form of communication or delivery.
 - (c) Any such electronic communication or delivery as specified in paragraph (a) above made or delivered by one Party to another will be effective only when actually received (or made available) in readable form and in the case of any electronic communication or document made or delivered by a Party to the Agent only if it is addressed in such a manner as the Agent shall specify for this purpose.
 - (d) Any electronic communication or document which becomes effective, in accordance with paragraph (c) above, after 5 p.m. in the place in which the Party to whom the relevant communication or document is sent or made available has its address for the purpose of this Agreement shall be deemed only to become effective on the following day.
 - (e) All Parties acknowledge the risk of receiving non-encrypted emails containing confidential information and may also be privileged.
 - (f) The Agent and its delegates will have no responsibility for unauthorised access and/or alteration to such communication, nor for any consequence based on or arising from the use of information that has been illegitimately accessed or altered.
 - (g) Any reference in a Finance Document to a communication being sent or received or a document being delivered shall be construed to include that communication or document being made available in accordance with this Clause 28.5.

28.6 English Language

- (a) Any notice given under or in connection with any Finance Document must be in English.
- (b) All other documents provided under or in connection with any Finance Document must be:
 - (i) in English; or
 - (ii) if not in English, and if so required by the Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

28.7 Use of Deal Site

- (a) All notices, requests, demands, consents, approvals, agreements or other communications by the Agent under or in respect of this Agreement may be given by publication on the Deal Site. Such communication shall include notices for notification for Lenders' participation in the Utilisation and for rates of interest.

- (b) Communications posted on the Deal Site will be effective on the earlier of (A) one Business Day after such communication is posted on the Deal Site; and (B) receipt by the Agent of acknowledgement from the Deal Site that such communication has been posted.
- (c) The Borrower consents to the inclusion of its logo (if applicable) on the Deal Site.
- (d) The Agent will promptly on request provide access to the Deal Site to one or more representatives of other Parties.
- (e) Email contact details may be for individuals or “group” addresses. However in either case, each Party must ensure that all persons to whom it gives access can properly receive the information available on the Deal Site, including under the relevant information disclosure clause.
- (f) If the Deal Site is not available for any reason, promptly following this being brought to its attention, the Agent will provide communications to the Parties by another means of communications contemplated by the relevant notification clause. A Party will notify the Agent promptly if it is unable to access the Deal Site.
- (g) Each of the other Parties agrees that the Agent is not liable for any liability, loss, damage, costs or expenses incurred or suffered by it as a result of its access or use of the Deal Site or inability to access or use the Deal Site, other than in the case of the gross negligence or wilful misconduct of the Agent.
- (h) The Agent may terminate the Deal Site after the earlier of:
 - (i) the Final Repayment Date; and
 - (ii) prepayment or cancellation in full of the Facilities, unless instructed otherwise by the Majority Lenders.

29. Calculations and Certificates

29.1 Accounts

In any litigation or arbitration proceedings arising out of or in connection with a Finance Document, the entries made in the accounts maintained by a Finance Party are *prima facie* evidence of the matters to which they relate.

29.2 Certificates and Determinations

Any certification or determination by a Finance Party of a rate or amount under any Finance Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

29.3 Day Count Convention

Any interest, commission or fee accruing under a Finance Document will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 360 days or, in any case where the practice in the Relevant Market differs, in accordance with that market practice.

30. Partial Invalidity

If, at any time, any provision of a Finance Document is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such

provision under the law of any other jurisdiction will in any way be affected or impaired.

31. Remedies and Waivers

No failure to exercise, nor any delay in exercising, on the part of any Finance Party, any right or remedy under a Finance Document shall operate as a waiver of any such right or remedy or constitute an election to affirm any of the Finance Documents. No election to affirm any Finance Document on the part of any Finance Party shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in each Finance Document are cumulative and not exclusive of any rights or remedies provided by law.

32. Amendments and Waivers

32.1 Required Consents

- (a) Subject to Clause 32.2 (*All-Lender Matters*) and Clause 32.3 (*Other Exceptions*), any term of the Finance Documents may be amended or waived only with the consent of the Majority Lenders and the Borrower and any such amendment or waiver will be binding on all Parties.
- (b) The Agent may effect, on behalf of any Finance Party, any amendment or waiver permitted by this Clause 32.

32.2 All-Lender Matters

Subject to Clause 32.6 (*Changes to Reference Rates*) an amendment or waiver of any term of any Finance Document that has the effect of changing or which relates to:

- (a) the definition of "Majority Lenders" in Clause 1.1 (*Definitions*);
- (b) an extension to the date of payment of any amount under the Finance Documents other than pursuant to an amendment or waiver of a term of a Fee Letter in accordance with paragraph 32.3(a) of Clause 32.3 (*Other Exceptions*);
- (c) a reduction in the Margin or a reduction in the amount of any payment of principal, interest, fees or commission payable;
- (d) a change in currency of payment of any amount under the Finance Documents;
- (e) an increase in any Commitment, an extension of any Availability Period or any requirement that a cancellation of Commitments reduces the Commitments of the Lenders rateably under the relevant Facility;
- (f) a change to the Borrower other than in accordance with Clause 23 (*Changes to the Borrower*);
- (g) any provision which expressly requires the consent of all the Lenders; or
- (h) Clause 2.2 (*Finance Parties' Rights and Obligations*), Clause 5.1 (*Delivery of a Utilisation Request*), Clause 7.1 (*Illegality*), Clause 7.2 (*Mandatory Prepayment – Listing Event*), Clause 7.8 (*Application of Prepayments*), Clause 22 (*Changes to the Lenders*), Clause 23 (*Changes to the Borrower*), Clause 25 (*Sharing among the Finance Parties*), this Clause 32, Clause 36 (*Governing Law*), or Clause 37.1 (*Jurisdiction of Hong Kong Courts*),

shall not be made without the prior consent of all the Lenders.

32.3 Other Exceptions

- (a) An amendment or waiver which relates to the rights or obligations of an Administrative Party (each in their capacity as such) may not be effected without the consent of that Administrative Party, as the case may be.
- (b) The Borrower and an Administrative Party, as applicable, may amend or waive a term of a Fee Letter to which they are party.
- (c) Any amendment or waiver which:
 - (i) relates only to the rights or obligations applicable to a particular class of Lender(s); and
 - (ii) would not reasonably be expected to materially and adversely affect the rights or interests of Lenders in respect of another class of Lender(s),

may be made in accordance with this Clause 32 but as if references in this Clause 32 to the specified proportion of Lenders (including, for the avoidance of doubt, all the Lenders) whose consent would, but for this paragraph (c), be required for that amendment or waiver were to that proportion of the Lenders forming part of that particular class. Without prejudice to the generality of the foregoing, Lender(s) with Commitment(s) and/or participation(s) in Loan(s) under a Facility shall constitute a class of Lenders.

32.4 Excluded Commitments

If any Lender fails to respond to a request for a consent, waiver or amendment of or in relation to any term of any Finance Document or any other vote of Lenders under the terms of this Agreement within 15 Business Days of that request being made, unless the Borrower and the Agent agree to a longer time period in relation to such request:

- (a) its Commitments shall not be included for the purpose of calculating the Total Commitments under the relevant Facilities when ascertaining whether any relevant percentage (including, for the avoidance of doubt, unanimity) of Total Commitments has been obtained to approve that request; and
- (b) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

32.5 Replacement of Lender

- (a) If:
 - (i) any Lender becomes a Non-Consenting Lender (as defined in paragraph (d) below);
 - (ii) any Lender gives notification to the Agent under Clause 10.2 (*Market Disruption*); or
 - (iii) the Borrower becomes obliged to repay any amount in accordance with Clause 7.1 (*Illegality*) or to pay additional amounts pursuant to Clause 13.1 (*Increased Costs*), paragraph (a) of Clause 12.2 (*Tax Gross-Up*) or Clause 12.3 (*Tax Indemnity*) to any Lender,

then the Borrower may, whilst the circumstance giving rise to the requirement for that increase or indemnification or notice continues (in the case of paragraphs (a)(iii)), on 15 Business Days' prior notice to the Agent (or such shorter period as the Agent agrees) and that Lender, replace that Lender by requiring that Lender to (and, to the extent

permitted by law, that Lender shall transfer pursuant to Clause 22 (*Changes to the Parties*) all (and not part only) of its rights and obligations under this Agreement to a Lender or other bank, financial institution, trust, fund or other entity selected by the Borrower which confirms its willingness to assume and does assume all the obligations of the transferring Lender in accordance with Clause 22 (*Changes to the Parties*) for a purchase price in cash or other cash payment payable at the time of the transfer equal to the outstanding principal amount of such Lender's participation in the outstanding Loans and all accrued interest, Break Costs and other amounts payable in relation thereto under the Finance Documents.

- (b) The replacement of a Lender pursuant to this Clause 32.5 shall be subject to the following conditions:
 - (i) the Borrower shall have no right to replace the Agent or the Security Agent;
 - (ii) neither the Agent nor any Lender shall have any obligation to find a replacement Lender;
 - (iii) in no event shall the Lender replaced under paragraph (a) above be required to pay or surrender any of the fees received by such Lender pursuant to the Finance Documents; and
 - (iv) no Lender shall be obliged to execute a Transfer Certificate unless it is satisfied that it has completed all "know your customer" and other similar procedures that it is required (or deems desirable) to conduct in relation to the transfer to such replacement Lender.
- (c) A Lender shall perform the checks described in paragraph (b)(iv) above as soon as reasonably practicable following delivery of a notice referred to in paragraph (a) above and shall notify the Agent and the Borrower when it is satisfied that it has complied with those checks.
- (d) In the event that:
 - (i) the Borrower or the Agent (at the request of the Borrower) has requested the Lenders to give a consent in relation to, or to agree to a waiver or amendment of, any provisions of the Finance Documents;
 - (ii) the consent, waiver or amendment in question requires the approval of all the Lenders; and
 - (iii) Lenders whose Commitments aggregate $66\frac{2}{3}$ per cent. or more of the Total Commitments (or, if the Total Commitments have been reduced to zero, aggregated $66\frac{2}{3}$ per cent. or more of the Total Commitments prior to that reduction) have consented or agreed to such waiver or amendment,

then any Lender who does not and continues not to consent or agree to such waiver or amendment shall be deemed a "**Non-Consenting Lender**".

32.6 Changes to Reference Rates

- (a) Subject to Clause 32.3 (*Other Exceptions*), if a Published Rate Replacement Event has occurred in relation to any Published Rate, any amendment or waiver which relates to:
 - (i) providing for the use of a Replacement Reference Rate in place of that Published Rate; and
 - (ii) (A) aligning any provision of any Finance Document to the use of that Replacement Reference Rate;

- (B) enabling that Replacement Reference Rate to be used for the calculation of interest under this Agreement (including, without limitation, any consequential changes required to enable that Replacement Reference Rate to be used for the purposes of this Agreement);
- (C) implementing market conventions applicable to that Replacement Reference Rate;
- (D) providing for appropriate fallback (and market disruption) provisions for that Replacement Reference Rate; or
- (E) adjusting the pricing to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value from one Party to another as a result of the application of that Replacement Reference Rate (and if any adjustment or method for calculating any adjustment has been formally designated, nominated or recommended by the Relevant Nominating Body, the adjustment shall be determined on the basis of that designation, nomination or recommendation),

may be made with the consent of the Agent (acting on the instructions of the Majority Lenders) and the Borrower.

- (b) If any Lender fails to respond to a request for an amendment or waiver described in paragraph (a) above within 15 Business Days (or such longer time period in relation to any request which the Borrower and the Agent may agree) of that request being made:
 - (i) its Commitment shall not be included for the purpose of calculating the Total Commitments when ascertaining whether any relevant percentage of Total Commitments has been obtained to approve that request; and
 - (ii) its status as a Lender shall be disregarded for the purpose of ascertaining whether the agreement of any specified group of Lenders has been obtained to approve that request.

- (c) In this Clause 32.6:

“Published Rate” means:

- (a) Overnight SOFR; or
- (b) Term SOFR for any Quoted Tenor.

“Published Rate Replacement Event” means, in relation to a Published Rate:

- (a) the methodology, formula or other means of determining that Published Rate has, in the opinion of the Majority Lenders and the Borrower, materially changed;
- (b) (i) (A) the administrator of that Published Rate or its supervisor publicly announces that such administrator is insolvent; or
 - (B) information is published in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body which reasonably confirms that the administrator of that Published Rate is insolvent,

provided that, in each case, at that time, there is no successor administrator to continue to provide that Published Rate;

- (ii) the administrator of that Published Rate publicly announces that it has ceased or will cease to provide that Published Rate permanently or indefinitely and, at that time, there is no successor administrator to continue to provide that Published Rate;
 - (iii) the supervisor of the administrator of that Published Rate publicly announces that such Published Rate has been or will be permanently or indefinitely discontinued; or
 - (iv) the administrator of that Published Rate or its supervisor announces that that Published Rate may no longer be used;
- (c) the administrator of that Published Rate (or the administrator of an interest rate which is a constituent element of that Published Rate) determines that that Published Rate should be calculated in accordance with its reduced submissions or other contingency or fallback policies or arrangements and either:
- (i) the circumstance(s) or event(s) leading to such determination are not (in the opinion of the Majority Lenders and the Borrower) temporary; or
 - (ii) that Published Rate is calculated in accordance with any such policy or arrangement for a period no less than the Reference Rate Contingency Period; or
- (d) in the opinion of the Majority Lenders and the Borrower, that Published Rate is otherwise no longer appropriate for the purposes of calculating interest under this Agreement.

“Reference Rate Contingency Period” means one (1) month.

“Relevant Nominating Body” means any applicable central bank, regulator or other supervisory authority or a group of them, or any working group or committee sponsored or chaired by, or constituted at the request of, any of them or the Financial Stability Board.

“Replacement Reference Rate” means a reference rate which is:

- (a) formally designated, nominated or recommended as the replacement for a Published Rate by:
 - (i) the administrator of that Published Rate (provided that the market or economic reality that such reference rate measures is the same as that measured by that Published Rate); or
 - (ii) any Relevant Nominating Body,and if replacements have, at the relevant time, been formally designated, nominated or recommended under both paragraphs, the “Replacement Reference Rate” will be the replacement under paragraph (ii) above;
- (b) in the opinion of the Majority Lenders and the Borrower, generally accepted in the international or any relevant domestic syndicated loan markets as the appropriate successor to a Published Rate; or

- (c) in the opinion of the Majority Lenders and the Borrower, an appropriate successor to a Published Rate.

33. Confidential Information

33.1 Confidentiality

Each Finance Party agrees to keep all Confidential Information confidential and not to disclose it to anyone, save to the extent permitted by Clause 33.2 (*Disclosure of Confidential Information*) and Clause 33.3 (*Disclosure to Numbering Service Providers*), and to ensure that all Confidential Information is protected with security measures and a degree of care that would apply to its own confidential information.

33.2 Disclosure of Confidential Information

Any Finance Party and each Finance Party Related Party may disclose:

- (a) to any of its Affiliates, head office, branches, representative offices and Related Funds (each, a “**Finance Party Related Party**”) and any of its or each Finance Party Related Party’s officers, directors, employees, professional advisers, auditors, partners and Representatives such Confidential Information as that Finance Party shall consider appropriate if any person to whom the Confidential Information is to be given pursuant to this paragraph (a) is informed in writing of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of the information or is otherwise bound by requirements of confidentiality in relation to the Confidential Information;
- (b) to any person:
- (i) to (or through) whom it assigns or transfers (or may potentially assign or transfer) all or any of its rights and/or obligations under one or more Finance Documents or which succeeds (or which may potentially succeed) it as Agent and, in each case, to any of that person’s Affiliates, Related Funds, Representatives and professional advisers;
 - (ii) with (or through) whom it enters into (or may potentially enter into), whether directly or indirectly, any sub-participation in relation to, or any other transaction under which payments are to be made or may be made by reference to, one or more Finance Documents and/or the Borrower and to any of that person’s Affiliates, Related Funds, Representatives and professional advisers, including but not limited to any Participant and any potential Participant;
 - (iii) appointed by any Finance Party or by a person to whom paragraph (i) or (ii) above applies to receive communications, notices, information or documents delivered pursuant to the Finance Documents on its behalf (including any person appointed under paragraph (b) of Clause 24.14 (*Relationship with the Lenders*));
 - (iv) who invests in or otherwise finances (or may potentially invest in or otherwise finance), directly or indirectly, any transaction referred to in paragraph (i) or (ii) above;
 - (v) to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation;

- (vi) to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes;
- (vii) to whom or for whose benefit that Finance Party charges, assigns or otherwise creates Security (or may do so) pursuant to Clause 22.11 (*Security over Lenders' Rights*);
- (viii) who is a Party; or
- (ix) with the consent of the Borrower,

in each case, such Confidential Information as that Finance Party shall consider appropriate if:

- (A) in relation to paragraphs (i), (ii) and (iii) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking except that there shall be no requirement for a Confidentiality Undertaking if the recipient is a professional adviser and is subject to professional obligations to maintain the confidentiality of the Confidential Information;
 - (B) in relation to paragraph (iv) above, the person to whom the Confidential Information is to be given has entered into a Confidentiality Undertaking or is otherwise bound by requirements of confidentiality in relation to the Confidential Information they receive and is informed that some or all of such Confidential Information may be price-sensitive information; or
 - (C) in relation to paragraphs (v), (vi) and (vii) above, the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of that Finance Party, it is not practicable so to do in the circumstances; and
- (c) to any person appointed by that Finance Party or by a person to whom paragraph (b)(i) or (b)(ii) above applies to provide administration or settlement services in respect of one or more of the Finance Documents including in relation to the trading of participations in respect of the Finance Documents, such Confidential Information as may be required to be disclosed to enable such service provider to provide any of the services referred to in this paragraph (c) if the service provider to whom the Confidential Information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Borrower and the relevant Finance Party;
 - (d) to the International Swaps and Derivatives Association, Inc. (“ISDA”) or any Credit Derivatives Determination Committee or sub-committee of ISDA where such disclosure is required by them in order to determine whether the obligations under the Finance Documents will be, or in order for the obligations under the Finance Documents to become, deliverable under a credit derivative transaction or other credit linked transaction which incorporates the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement or other provisions substantially equivalent thereto;
 - (e) to any person for the purpose of obtaining a valuation in connection with a Participation Agreement, if such person is informed of the confidential nature of the Confidential

Information and that some or all of such Confidential Information may be price-sensitive information;

- (f) to any insurer, reinsurer or insurance broker of any Finance Party, if the person to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information; and
- (g) to any rating agency (including its professional advisers) such Confidential Information as may be required to be disclosed to enable such rating agency to carry out its normal rating activities in relation to the Finance Documents and/or the Borrower if the rating agency to whom the Confidential Information is to be given is informed of its confidential nature and that some or all of such Confidential Information may be price-sensitive information.

33.3 Disclosure to Numbering Service Providers

- (a) Any Finance Party may disclose to any national or international numbering service provider appointed by that Finance Party to provide identification numbering services in respect of this Agreement, the Facilities and/or the Borrower the following information:
 - (i) name of the Borrower;
 - (ii) country of domicile of the Borrower;
 - (iii) place of incorporation of the Borrower;
 - (iv) date of this Agreement;
 - (v) Clause 36 (*Governing Law*);
 - (vi) the names of any Administrative Party;
 - (vii) date of each amendment and restatement of this Agreement;
 - (viii) amounts of, and names of, the Facilities (and any tranches);
 - (ix) amount of Total Commitments;
 - (x) currencies of the Facilities;
 - (xi) type of Facilities;
 - (xii) ranking of Facilities;
 - (xiii) Final Repayment Date for the Facilities;
 - (xiv) changes to any of the information previously supplied pursuant to paragraphs (i) to (xiii) above; and
 - (xv) such other information agreed between such Finance Party and the Borrower,to enable such numbering service provider to provide its usual syndicated loan numbering identification services.
- (b) The Parties acknowledge and agree that each identification number assigned to this Agreement, the Facilities and/or the Borrower by a numbering service provider and the information associated with each such number may be disclosed to users of its services in accordance with the standard terms and conditions of that numbering service provider.

- (c) The Borrower represents that none of the information set out in paragraphs (a)(i) to (a)(xv) above is, nor will at any time be, unpublished price-sensitive information.

33.4 Entire Agreement

This Clause 33 constitutes the entire agreement between the Parties in relation to the obligations of the Finance Parties under the Finance Documents regarding Confidential Information and supersedes any previous agreement, whether express or implied, regarding Confidential Information.

33.5 Inside Information

Each of the Finance Parties acknowledges that some or all of the Confidential Information is or may be price-sensitive information and that the use of such information may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and each of the Finance Parties undertakes not to use any Confidential Information for any unlawful purpose.

33.6 Notification of Disclosure

Each of the Finance Parties agrees (to the extent permitted by law and regulation) to inform the Borrower:

- (a) of the circumstances of any disclosure of Confidential Information made pursuant to paragraph (b)(v) of Clause 33.2 (*Disclosure of Confidential Information*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
- (b) upon becoming aware that Confidential Information has been disclosed in breach of this Clause 33.

33.7 Personal Data Protection

- (a) If the Borrower provides the Finance Parties with personal data of any individual as required by or pursuant to the Finance Documents, the Borrower represents and warrants to the Finance Parties that it has, to the extent required by law:
 - (i) notified the relevant individual of the purposes for which data will be collected, processed, used or disclosed; and
 - (ii) obtained such individual's consent for, and hereby consents on behalf of such individual to, the collection, processing, use and disclosure of his/her personal data by the Finance Parties, in each case, in accordance with or for the purposes of the Finance Documents.
- (b) The Borrower agrees and undertakes to notify the Agent promptly upon its becoming aware of the withdrawal by the relevant individual of his/her consent to the collection, processing, use and/or disclosure by any Finance Party of any personal data provided by the Borrower to any Finance Party.
- (c) Any consent given pursuant to this Agreement in relation to personal data shall, subject to all applicable laws and regulations, survive death, incapacity, bankruptcy or insolvency of any such individual and the termination or expiration of this Agreement.

33.8 Continuing Obligations

The obligations in this Clause 33 are continuing and, in particular, shall survive and remain binding on each Finance Party for a period of 12 months from the earlier of:

- (a) the date on which all amounts payable by the Borrower under or in connection with

this Agreement have been paid in full and all Commitments have been cancelled or otherwise cease to be available;
and

- (b) the date on which such Finance Party otherwise ceases to be a Finance Party.

34. Confidentiality of Funding Rates

34.1 Confidentiality and Disclosure

- (a) The Agent and the Borrower agree to keep each Funding Rate confidential and not to disclose it to anyone, save to the extent permitted by paragraphs (b), (c) below.
- (b) The Agent may disclose:
 - (i) any Funding Rate to the relevant Borrower pursuant to Clause 8.4 (*Notification of Rates of Interest*); and
 - (ii) any Funding Rate to any person appointed by it to provide administration services in respect of one or more of the Finance Documents to the extent necessary to enable such service provider to provide those services if the service provider to whom that information is to be given has entered into a confidentiality agreement substantially in the form of the LMA Master Confidentiality Undertaking for Use With Administration/Settlement Service Providers or such other form of confidentiality undertaking agreed between the Agent and the relevant Lender.
- (c) The Agent may disclose any Funding Rate, and the Borrower may disclose any Funding Rate, to:
 - (i) any of its Affiliates and any of its or their officers, directors, employees, professional advisers, auditors, partners and Representatives if any person to whom that Funding Rate is to be given pursuant to this paragraph (i) is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no such requirement to so inform if the recipient is subject to professional obligations to maintain the confidentiality of that Funding Rate or is otherwise bound by requirements of confidentiality in relation to it;
 - (ii) any person to whom information is required or requested to be disclosed by any court of competent jurisdiction or any governmental, banking, taxation or other regulatory authority or similar body, the rules of any relevant stock exchange or pursuant to any applicable law or regulation if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the Borrower, as the case may be, it is not practicable to do so in the circumstances;
 - (iii) any person to whom information is required to be disclosed in connection with, and for the purposes of, any litigation, arbitration, administrative or other investigations, proceedings or disputes if the person to whom that Funding Rate is to be given is informed in writing of its confidential nature and that it may be price-sensitive information except that there shall be no requirement to so inform if, in the opinion of the Agent or the Borrower, as the case may be, it is not practicable to do so in the circumstances; and
 - (iv) any person with the consent of the relevant Lender.

34.2 Related Obligations

- (a) The Agent and the Borrower acknowledge that each Funding Rate is or may be price-sensitive information and that its use may be regulated or prohibited by applicable legislation including securities law relating to insider dealing and market abuse and the Agent and the Borrower undertake not to use any Funding Rate for any unlawful purpose.
- (b) The Agent and the Borrower agree (to the extent permitted by law and regulation) to inform the relevant Lender:
 - (i) of the circumstances of any disclosure made pursuant to paragraph (c)(ii) of Clause 34.1 (*Confidentiality and Disclosure*) except where such disclosure is made to any of the persons referred to in that paragraph during the ordinary course of its supervisory or regulatory function; and
 - (ii) upon becoming aware that any information has been disclosed in breach of this Clause 34.

34.3 No Event of Default

No Event of Default will occur under Clause 21.3 (*Other Obligations*) by reason only of the Borrower's failure to comply with this Clause 34.

35. Counterparts

Each Finance Document may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Finance Document.

Section 11

Governing Law and Enforcement

36. Governing Law

This Agreement is governed by the laws of Hong Kong.

37. Enforcement

37.1 Jurisdiction of Hong Kong Courts

- (a) The courts of Hong Kong have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including any dispute regarding the existence, validity or termination of this Agreement) (a “**Dispute**”).
- (b) The Parties agree that the courts of Hong Kong are the most appropriate and convenient courts to settle Disputes and accordingly no Party will argue to the contrary.
- (c) Notwithstanding paragraphs (a) and (b) above, no Finance Party shall be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Finance Parties may take concurrent proceedings in any number of jurisdictions.

37.2 Waiver of Immunities

The Borrower irrevocably waives, to the extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from:

- (a) suit;
- (b) jurisdiction of any court;
- (c) relief by way of injunction or order for specific performance or recovery of property;
- (d) attachment of its assets (whether before or after judgment); and
- (e) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction (and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any immunity in any such proceedings).

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Schedule 1
The Original Parties

Part 1
The Original Mandated Lead Arrangers and Bookrunners

Name of Original Mandated Lead Arrangers and Bookrunner	Place and Form of Incorporation
Citigroup Global Markets Asia Limited	Incorporated in Hong Kong with limited liability
Credit Suisse AG, Singapore Branch	Incorporated in Switzerland with limited liability

Part 2
The Mandated Lead Arrangers and Bookrunners

Name of Mandated Lead Arranger and Bookrunner	Place and Form of Incorporation
Bank of China (Hong Kong) Limited	Incorporated in Hong Kong with limited liability
Bank of China Limited, Macau Branch	Incorporated in the People's Republic of China with limited liability
Bank of China Limited, Singapore Branch	Incorporated in the People's Republic of China with limited liability
China Citic Bank Corporation Limited, Shanghai Branch 中信银行股份有限公司上海分行	Incorporated in the People's Republic of China with limited liability
China CITIC Bank International Limited	Incorporated in Hong Kong with limited liability
China Construction Bank (Asia) Corporation Limited	Incorporated in Hong Kong with limited liability
Nanyang Commercial Bank, Limited	Incorporated in Hong Kong with limited liability
Goldman Sachs Bank USA	Incorporated in the United States of America as a New York State-chartered bank and a member of the Federal Reserve System
CMB Wing Lung Bank Limited	Incorporated in Hong Kong with limited liability
Crédit Agricole Corporate and Investment Bank	Incorporated in France with limited liability
Industrial Bank Co., Ltd, (A joint stock company incorporated in in P.R.C. with limited liability), Hong Kong Branch	Incorporated in the People's Republic of China with limited liability

Part 3
The Lead Arrangers

Name of Lead Arrangers	Place and Form of Incorporation
DBS Bank Ltd	Incorporated in Singapore with limited liability
Ping An Bank Co., Ltd.	Incorporated in the People's Republic of China with limited liability
China Minsheng Banking Corp., Ltd. Hong Kong Branch	Incorporated as a joint stock limited company in the People's Republic of China

Part 4
The Arrangers

Name of Arrangers	Place and Form of Incorporation
Hang Seng Bank Limited	Incorporated in Hong Kong with limited liability
KDB Asia Limited	Incorporated in Hong Kong with limited liability
Sumitomo Mitsui Trust Bank, Limited (incorporated in Japan with limited liability) Hong Kong Branch	Incorporated in Japan with limited liability
Cathay United Bank Company, Limited, Hong Kong Branch	Incorporated in Taiwan with limited liability
China Everbright Bank Co., Ltd., Hong Kong Branch	Incorporated in the People's Republic of China with limited liability
Oversea-Chinese Banking Corporation Limited	Incorporated in Singapore with limited liability
Shanghai Pudong Development Bank Co., Ltd., acting through its Hong Kong Branch (a financial institution incorporated under the laws of the People's Republic of China with limited liability)	Incorporated as a financial institution in the People's Republic of China with limited liability

Part 5
The Original Lenders

Name of Original Lenders	Place and Form of Incorporation	Facility A Commitment	Facility B Commitment
Citibank, N.A., Hong Kong Branch	Incorporated in the United States of America with limited liability	***	***

Name of Original Lenders	Place and Form of Incorporation	Facility A Commitment	Facility B Commitment
Credit Suisse AG, Singapore Branch	Incorporated in Switzerland with limited liability	***	***
Bank of China (Hong Kong) Limited	Incorporated in Hong Kong with limited liability	***	***
Bank of China Limited, Macau Branch	Incorporated in the People's Republic of China with limited liability	***	***
Bank of China Limited, Singapore Branch	Incorporated in the People's Republic of China with limited liability	***	***
China Citic Bank Corporation Limited, Shanghai Branch 中信银行股份有限公司上海分行	Incorporated in the People's Republic of China with limited liability	***	***
China CITIC Bank International Limited	Incorporated in Hong Kong with limited liability	***	***
China Construction Bank (Asia) Corporation Limited	Incorporated in Hong Kong with limited liability	***	***
Nanyang Commercial Bank, Limited	Incorporated in Hong Kong with limited liability	***	***
Goldman Sachs Bank USA	Incorporated in the United States of America as a New York State-chartered bank and a member of the Federal Reserve System	***	***
CMB Wing Lung Bank Limited	Incorporated in Hong Kong with limited liability	***	***
Crédit Agricole Corporate and Investment Bank, Hong Kong Branch	Incorporated in France with limited liability	***	***
Industrial Bank Co., Ltd, (A joint stock company)	Incorporated in the People's Republic of	***	***

<u>Name of Original Lenders</u>	<u>Place and Form of Incorporation</u>	<u>Facility A Commitment</u>	<u>Facility B Commitment</u>
incorporated in in P.R.C. with limited liability), Hong Kong Branch	China with limited liability		
DBS Bank (Hong Kong) Limited	Incorporated in Hong Kong with limited liability	***	***
Ping An Bank Co., Ltd.	Incorporated in the People's Republic of China with limited liability	***	***
China Minsheng Banking Corp., Ltd. Hong Kong Branch	Incorporated as a joint stock limited company in the People's Republic of China	***	***
Hang Seng Bank Limited	Incorporated in Hong Kong with limited liability	***	***
KDB Asia Limited	Incorporated in Hong Kong with limited liability	***	***
Sumitomo Mitsui Trust Bank, Limited (incorporated in Japan with limited liability) Hong Kong Branch	Incorporated in Japan with limited liability	***	***
Cathay United Bank Company, Limited, Hong Kong Branch	Incorporated in Taiwan with limited liability	***	***
China Everbright Bank Co., Ltd., Hong Kong Branch	Incorporated in the People's Republic of China with limited liability	***	***
Oversea-Chinese Banking Corporation Limited	Incorporated in Singapore with limited liability	***	***
Shanghai Pudong Development Bank Co., Ltd., acting through its Hong Kong Branch (a financial institution incorporated under the laws of the	Incorporated in the People's Republic of China with limited liability	***	***

<u>Name of Original Lenders</u>	<u>Place and Form of Incorporation</u>	<u>Facility A Commitment</u>	<u>Facility B Commitment</u>
People's Republic of China with limited liability)			
Total		US\$900,000,000	US\$300,000,000

Schedule 2
Conditions Precedent

**Schedule 3
Requests**

Part 1 Utilisation Request

From: Weibo Corporation

To: Citicorp International Limited

Dated:

**Weibo Corporation – [●] Facilities Agreement
dated [●] (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is a Utilisation Request. Terms defined in the Facilities Agreement shall have the same meaning in this Utilisation Request.
2. We wish to borrow a Loan on the following terms:

Proposed Utilisation Date:	[●] (or, if that is not a Business Day, the next Business Day)
Facility to be utilised:	[Facility A]/[Facility B]*
Currency of Loan:	US dollars
Amount:	[●] or, if less, the Available Facility
First Interest Period:	[●]
3. We confirm that each condition specified in Clause 4.2 (*Further Conditions Precedent*) of the Facilities Agreement is satisfied on the date of this Utilisation Request.
4. The proceeds of this Loan should be credited to [account].

[This Loan is to be made in [whole]/[part] for the purpose of refinancing [identify maturing Facility B Loan]/[The proceeds of this Loan should be credited to [account]].]*
5. This Utilisation Request is irrevocable.

Yours faithfully

authorised signatory for
Weibo Corporation

* Delete as appropriate.

* Applicable to Rollover Loan in relation to Facility B.

Part 2 Selection Notice Applicable to a Facility A Loan

From: Weibo Corporation

To: Citicorp International Limited

Dated:

**Weibo Corporation – [●] Facilities Agreement
dated [●] (the “Facilities Agreement”)**

1. We refer to the Facilities Agreement. This is a Selection Notice. Terms defined in the Facilities Agreement shall have the same meaning in this Selection Notice.
2. We refer to the following Facility A Loan[s] with an Interest Period ending on [●]*
3. We request that the next Interest Period for the above Facility A Loan[s] is [●].
4. This Selection Notice is irrevocable.

Yours faithfully

authorised signatory for
Weibo Corporation

* Insert details of all Facility A Loans which have an Interest Period ending on the same date.

Schedule 4
Form of Transfer Certificate

To: Citicorp International Limited as Agent

From: [*the Existing Lender*] (the “Existing Lender”) and [*the New Lender*] (the “New Lender”)

Dated:

Weibo Corporation – [•] Facilities Agreement
dated [•] (the “Facilities Agreement”)

1. We refer to Clause 22.5 (*Procedure for Transfer*) of the Facilities Agreement. This is a Transfer Certificate. Terms used in the Facilities Agreement shall have the same meaning in this Transfer Certificate.
2. The Existing Lender and the New Lender agree to the Existing Lender transferring to the New Lender by novation, and in accordance with Clause 22.5 (*Procedure for Transfer*) of the Facilities Agreement, all of the Existing Lender’s rights and obligations under the Facilities Agreement and the other Finance Documents which relate to that portion of the Existing Lender’s Commitment(s) and participations in Loans under the Facilities Agreement as specified in the Schedule.
3. The proposed Transfer Date is [•].
4. The Facility Office and address, email, fax number and attention particulars for notices of the New Lender for the purposes of Clause 28.2 (*Addresses*) of the Facilities Agreement are set out in the Schedule.
5. The New Lender expressly acknowledges:
 - (a) the limitations on the Existing Lender’s obligations set out in paragraphs (a) and (c) of Clause 22.4 (*Limitation of Responsibility of Existing Lenders*) of the Facilities Agreement; and
 - (b) that it is the responsibility of the New Lender to ascertain whether any document is required or any formality or other condition requires to be satisfied to effect or perfect the transfer contemplated by this Transfer Certificate or otherwise to enable the New Lender to enjoy the full benefit of each Finance Document.
6. The New Lender confirms that it is a “New Lender” within the meaning of Clause 22.1 (*Assignments and Transfers by the Lenders*) of the Facilities Agreement.
7. This Transfer Certificate may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Transfer Certificate.
8. This Transfer Certificate is governed by the laws of Hong Kong.
9. This Transfer Certificate has been entered into on the date stated at the beginning of this Transfer Certificate.

The Schedule

Commitment/Rights and Obligations to be Transferred

[Insert relevant details]

[Facility office address, email, fax number and attention details for notices and account details for payments]

[The Existing Lender]

By:

[The New Lender]

By:

This Transfer Certificate is executed by the Agent and the Transfer Date is confirmed as [•].

[The Agent]

By:

Note: *It is the New Lender's responsibility to ascertain whether any other document is required, or any formality or other condition is required to be satisfied, to effect or perfect the transfer contemplated in this Transfer Certificate or to give the New Lender full enjoyment of all the Finance Documents.*

Schedule 5
Form of Assignment Agreement

To: Citicorp International Limited as Agent and Weibo Corporation as Borrower

From: [*the Existing Lender*] (the “Existing Lender”) and [*the New Lender*] (the “New Lender”)

Dated: [*insert date*]

Weibo Corporation – [•] Facilities Agreement
dated [•] (the “Facilities Agreement”)

1. We refer to the Facilities Agreement. This is an Assignment Agreement. Terms defined in the Facilities Agreement have the same meaning in this Assignment Agreement unless given a different meaning in this Assignment Agreement.
2. We refer to Clause 22.6 (*Procedure for Assignment*) of the Facilities Agreement:
 - (a) The Existing Lender assigns absolutely to the New Lender all the rights of the Existing Lender under the Facilities Agreement and the other Finance Documents which relate to that portion of the Existing Lender’s Commitment(s) and participations in Loans under the Facilities Agreement as specified in the Schedule.
 - (b) The Existing Lender is released from all the obligations of the Existing Lender which correspond to that portion of the Existing Lender’s Commitment(s) and participations in Loans under the Facilities Agreement specified in the Schedule.
 - (c) The New Lender becomes a Party as a Lender and is bound by obligations equivalent to those from which the Existing Lender is released under paragraph (b) above.
3. The proposed Transfer Date is [•].
4. On the Transfer Date, the New Lender becomes Party to the Finance Documents as a Lender.
5. The Facility Office and address, email, fax number and attention details for notices of the New Lender for the purposes of Clause 28.2 (*Addresses*) of the Facilities Agreement are set out in the Schedule.
6. The New Lender expressly acknowledges:
 - (a) the limitations on the Existing Lender’s obligations set out in paragraphs (a) and (c) of Clause 22.4 (*Limitation of Responsibility of Existing Lenders*) of the Facilities Agreement; and
 - (b) that it is the responsibility of the New Lender to ascertain whether any document is required or any formality or other condition requires to be satisfied to effect or perfect the transfer contemplated by this Assignment Agreement or otherwise to enable the New Lender to enjoy the full benefit of each Finance Document.
7. The New Lender confirms that it is a “New Lender” within the meaning of Clause 22.1 (*Assignments and Transfers by the Lenders*) of the Facilities Agreement.
8. This Assignment Agreement acts as notice to the Agent (on behalf of each Finance Party) and, upon delivery in accordance with Clause 22.7 (*Copy of Transfer Certificate or Assignment Agreement to Borrower*) of the Facilities Agreement, to the Borrower of the assignment referred to in this Assignment Agreement.
9. This Assignment Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Assignment

Agreement.

10. This Assignment Agreement is governed by the laws of Hong Kong.
11. This Assignment Agreement has been entered into on the date stated at the beginning of this Assignment Agreement.

The Schedule

Rights to be Assigned and Obligations to be Released and Undertaken

[Insert relevant details]

[Facility office address, email, fax number and attention details for notices and account details for payments]

[The Existing Lender]

By:

[The New Lender]

By:

This Assignment Agreement is accepted by the Agent and the Transfer Date is confirmed as [•].

Signature of this Assignment Agreement by the Agent constitutes confirmation by the Agent of receipt of notice of the assignment referred to herein, which notice the Agent receives on behalf of each Finance Party.

[Agent]

By:

Note: It is the New Lender's responsibility to ascertain whether any other document is required, or any formality or other condition is required to be satisfied, to effect or perfect the assignment/release/assumption of obligations contemplated in this Assignment Agreement or to give the New Lender full enjoyment of all the Finance Documents.

Schedule 6
Form of Compliance Certificate

To: Citicorp International Limited as Agent

From: Weibo Corporation

Dated:

Weibo Corporation – Facilities Agreement
dated [•] (the “Facilities Agreement”)

1. We refer to the Facilities Agreement. This is a Compliance Certificate. Terms used in the Facilities Agreement shall have the same meaning in this Compliance Certificate.
2. We confirm that, in respect of the Relevant Period ending []:
 - (a) the ratio of Consolidated Net Debt on the last day of such Relevant Period to Consolidated EBITDA in respect of such Relevant Period is []; and
 - (b) the ratio of Consolidated EBITDA to Consolidated Interest Expenses in respect of such Relevant Period is [].
3. [We confirm that no Default is continuing.]*
4. [We confirm that the following companies constitute Principal Controlled Entities for the purposes of the Facilities Agreement:
 - (a) [].]**

Signed:

[Director]/[Chief Financial Officer] of Weibo Corporation

* If this statement cannot be made, the Compliance Certificate should identify any Default that is continuing and the steps, if any, being taken to remedy it.

** Insert only in the case of a Compliance Certificate delivered together with the Annual Financial Statements for a Financial Year ending on or after a Financial Year.

**Schedule 7
Timetables**

Schedule 8 White List

Signature Page

Borrower

Weibo Corporation

as Borrower

/s/ Fei Cao

Name: Fei Cao

Title: Chief Financial Officer

(Signature Pages)

Original Mandated Lead Arrangers and Bookrunners

Citigroup Global Markets Asia Limited

as Original Mandated Lead Arranger and Bookrunner

/s/ Vincent Yeung

Name: Vincent Yeung

Title: Director

(Signature Pages)

Credit Suisse AG, Singapore Branch

as Original Mandated Lead Arranger and Bookrunner

/s/ Serene Seah

Name: Serene Seah

Title: Director

/s/ Liu Feng-Hao

Name: Liu Feng-Hao

Title: Vice President
General Counsel Division

(Signature Pages)

Bank of China (Hong Kong) Limited

as Mandated Lead Arranger and Bookrunner

/s/ Fung Yuen Pik Fiona

Name: Fung Yuen Pik Fiona (8851662)

Title: Senior Credit Execution Manager

/s/ Chan Hoi Man

Name: Chan Hoi Man (8850841)

Title: Head of Syndication Execution

(Signature Pages)

Bank of China Limited, Macau Branch

as Mandated Lead Arranger and Bookrunner

/s/ Xiong Sha

Name: Xiong Sha

Title: Deputy General Manager of Global Corporate and Investment
Banking Department

(Signature Pages)

Bank of China Limited, Singapore Branch

as Mandated Lead Arranger and Bookrunner

/s/ Cai Lu

Name: Cai Lu

Title: Deputy General Manager, Corporate Banking I Department

(Signature Pages)

China Citic Bank Corporation Limited, Shanghai Branch

中信银行股份有限公司上海分行

as Mandated Lead Arranger and Bookrunner

/s/ Yuanxin Zhao

Name: Yuanxin Zhao

Title: Head of China CITIC Bank Corporation Limited Shanghai Branch

(Signature Pages)

China CITIC Bank International Limited

as Mandated Lead Arranger and Bookrunner

/s/ Stockor Ng

Name: Stockor Ng

Title: Head of Structured Finance

/s/ Qi Dong

Name: Qi Dong

Title: Executive Deputy General Manager

(Signature Pages)

China Construction Bank (Asia) Corporation Limited

as Mandated Lead Arranger and Bookrunner

/s/ Ivan ma

Name: Ivan Ma

Title: Senior Vice President
Head of Credit Verification (Corporate Banking)
Risk Management Division

/s/ Benny Ha

Name: Benny Ha

Title: General Manager of CBDI

(Signature Pages)

Nanyang Commercial Bank, Limited

as Mandated Lead Arranger and Bookrunner

/s/ Yu Kwok Ngai, Wilson

Name: Yu Kwon Ngai, Wilson

Title: Head of Marketing

/s/ Lee Tsz Kin, Eddy

Name: Lee Tsz Kin, Eddy

Title: Assistant Chief Executive

(Signature Pages)

Goldman Sachs Bank USA

as Mandated Lead Arranger and Bookrunner

/s/ Hubert Yang

Name: Hubert Yang

Title: Authorized Signatory

(Signature Pages)

CMB Wing Lung Bank Limited

as Mandated Lead Arranger and Bookrunner

/s/ Zhang Ruoneng

Name: Zhang Ruoneng

Title: Team Head of Acquisition Financing and Structured Finance

/s/ Fan Fei

Name: Fan Fei

Title: Head of New Economy Sector Strategic Department

(Signature Pages)

Crédit Agricole Corporate and Investment Bank

as Mandated Lead Arranger and Bookrunner

/s/ Kenneth Lee

Name: Kenneth Lee

Title: Managing Director

/s/ Pam Kwok

Name: Pam Kwok

Title: Director

(Signature Pages)

Industrial Bank Co., Ltd, (A joint stock company incorporated in P.R.C. with limited liability) Hong Kong Branch

as Mandated Lead Arranger and Bookrunner

/s/ Pang, Ho Cheung Terence

Name: Pang, Ho Cheung Terence

Title: Assistant Chief Executive

/s/ Zhou Wenru

Name: Zhou Wenru

Title: Deputy General Manager

(Signature Pages)

Lead Arrangers

DBS Bank Ltd

as Lead Arranger

/s/ Yen Lian Chang

Name: Yen Lian Chang Specimen Signature No. 010934

Title: Senior Vice President

(Signature Pages)

Ping An Bank Co., Ltd.

as Lead Arranger

/s/ company seal

Name: Authorised Signatory

Title: Authorised Signatory

(Signature Pages)

China Minsheng Banking Corp., Ltd. Hong Kong Branch (a joint stock limited company incorporated in the People's Republic of China)

as Lead Arranger

/s/ Hu Pei Feng

Name: Hu Pei Feng

Title: Deputy CEO

(Signature Pages)

Arrangers

Hang Seng Bank Limited

as Arranger

/s/ Ng Sung Chun Michael

Name: Ng Sung Chun Michael

Title: Executive Vice President

Department Head

Relationship Management

Corporate Banking

/s/ WONG Ka Shing, Angus

Name: WONG Ka Shing, Angus

Title: Head of Corporate Banking

(Signature Pages)

KDB Asia Limited

as Arranger

/s/ Yoo Seoung, KIM

Name: Yoo Seoung, KIM

Title: Deputy CEO

(Signature Pages)

Sumitomo Mitsui Trust Bank, Limited (incorporated in Japan with limited liability) Hong Kong Branch

as Arranger

/s/ Yasuyuki Ebiko

Name: Mr. Yasuyuki Ebiko

Title: Head of Business Promotion II

(Signature Pages)

Cathay United Bank Company, Limited, Hong Kong Branch

as Arranger

/s/CHU Kwan Lim, William

Name: CHU Kwan Lim, William

Title: Head of Corporate Banking and Deputy Branch Manager

(Signature Pages)

China Everbright Bank Co., Ltd., Hong Kong Branch

as Arranger

/s/ Desmond Wu

Name: Desmond Wu

Title: Chief Risk Officer

/s/ Wally Kwok

Name: Wally Kwok

Title: Chief Marketing Officer

(Signature Pages)

Oversea-Chinese Banking Corporation Limited

as Arranger

/s/ Johnny Wei

Name: Johnny Wei

Title: Head of WBG

(Signature Pages)

Shanghai Pudong Development Bank Co., Ltd., acting through its Hong Kong Branch (a financial institution incorporated under the laws of the People's Republic of China with limited liability)

as Arranger

/s/ Zhu Jun

Name: Zhu Jun

Title: Deputy Chief Executive Officer

/s/ Wu Yue

Name: Wu Yue

Title: General Manager of Investment Banking Department II

(Signature Pages)

Original Lenders

Citibank, N.A., Hong Kong Branch
as Original Lender

/s/ Sichen Wang

Name: Sichen Wang

Title: Director

(Signature Pages)

Credit Suisse AG, Singapore Branch
as Original Lender

/s/ Serene Seah

Name: Serene Seah
Title: Director

/s/ Liu Feng-Hao

Name: Liu Feng-Hao
Title: Vice President General Counsel Division

(Signature Pages)

Bank of China (Hong Kong) Limited
as Original Lender

/s/ Fung Yuen Pik Fiona

Name: Fung Yuen Pik Fiona (8851662)

Title: Senior Credit Execution Manager

/s/ Chan Hoi Man

Name: Chan Hoi Man (8850841)

Title: Head of Syndication Execution

(Signature Pages)

Bank of China Limited, Macau Branch
as Original Lender

/s/ Xiong Sha

Name: Xiong Sha

Title: Deputy General Manager of Global Corporate and Investment
Banking Department

(Signature Pages)

Bank of China Limited, Singapore Branch
as Original Lender

/s/ Cai Lu

Name: Cai Lu

Title: Deputy General Manager, Corporate Banking I Department

(Signature Pages)

China Citic Bank Corporation Limited, Shanghai Branch
中信银行股份有限公司上海分行

as Original Lender

/s/ Yuanxin Zhao

Name: Yuanxin Zhao

Title: Head of China CITIC Bank Corporation Limited Shanghai
Branch

(Signature Pages)

China CITIC Bank International Limited
as Original Lender

/s/ Stockor Ng

Name: Stockor Ng
Title: General Manager Head of Structured Finance

/s/ Qi Dong

Name: Qi Dong
Title: Executive Deputy General Manager

(Signature Pages)

China Construction Bank (Asia) Corporation Limited
as Original Lender

/s/ Ivan Ma

Name: Ivan Ma
Title: Senior Vice President
Head of Credit Verification (Corporate Banking)
Risk Management Division

/s/ Benny Ha

Name: Benny Ha
Title: General Manager of CBDI

(Signature Pages)

Nanyang Commercial Bank, Limited
as Original Lender

/s/ Yu Kwok Ngai, Wilson

Name: Yu Kwok Ngai, Wilson
Title: Head of Marketing

/s/ Lee Tsz Kin, Eddy

Name: Lee Tsz Kin, Eddy
Title: Assistant Chief Executive

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Goldman Sachs Bank USA
as Original Lender

/s/ Hubert Yang

Name: Hubert Yang

Title: Authorized Signatory

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CMB Wing Lung Bank Limited
as Original Lender

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Name: Zhang Ruoneng

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/s/ Fan Fei

Name: Fan Fei

Title: Head of New Economy Sector Strategic Department

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as Original Lender

/s/ Kenneth Lee

Name: Kenneth Lee
Title: Managing Director

/s/ Pam Kwok

Name: Pam Kwok
Title: Director

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Industrial Bank Co., Ltd, (A joint stock company incorporated in in P.R.C. with limited liability) Hong Kong Branch
as Original Lender

/s/ Pang, Ho Cheung Terence

Name: Pang, Ho Cheung Terence
Title: Assistant Chief Executive

/s/ Zhou Wenru

Name: Zhou Wenru
Title: Deputy General Manager

(Signature Pages)

DBS Bank (Hong Kong) Limited
as Original Lender

/s/ Yen Lian Chang

Name: Yen Lian Chang Specimen Signature No. 010934

Title: Senior Vice President

(Signature Pages)

Ping An Bank Co., Ltd.
as Original Lender

/s/ company seal

Name: Authorised Signatory

Title: Authorised Signatory

(Signature Pages)

China Minsheng Banking Corp., Ltd. Hong Kong Branch (a joint stock limited company incorporated in the People's Republic of China)

as Original Lender

/s/ Hu Pei Feng

Name: Hu Pei Feng

Title: Deputy CEO

(Signature Pages)

Hang Seng Bank Limited
as Original Lender

/s/ Ng Sung Chun Michael

Name: Ng Sung Chun Michael
Title: Executive Vice President
Department Head
Relationship Management
Corporate Banking

/s/ WONG Ka Shing, Angus

Name: WONG Ka Shing, Angus
Title: Head of Corporate Banking

(Signature Pages)

KDB Asia Limited

as Original Lender

/s/ Yoo Seoung, KIM

Name: Yoo Seoung, KIM

Title: Deputy CEO

(Signature Pages)

Sumitomo Mitsui Trust Bank, Limited (incorporated in Japan with limited liability) Hong Kong Branch

as Original Lender

/s/ Yasuyuki Ebiko

Name: Mr. Yasuyuki Ebiko

Title: Head of Business Promotion II

(Signature Pages)

Cathay United Bank Company, Limited, Hong Kong Branch
as Original Lender

/s/ CHU Kwan Lim, William

Name: CHU Kwan Lim, William

Title: Head of Corporate Banking and Deputy Branch Manager

(Signature Pages)

China Everbright Bank Co., Ltd., Hong Kong Branch
as Original Lender

/s/ Desmond Wu

Name: Desmond Wu
Title: Chief Risk Officer

/s/ Wally Kwok

Name: Wally Kwok
Title: Chief Marketing Officer

(Signature Pages)

Oversea-Chinese Banking Corporation Limited

as Original Lender

/s/ Johnny Wei

Name: Johnny Wei

Title: Head of WBG

(Signature Pages)

Shanghai Pudong Development Bank Co., Ltd., acting through its Hong Kong Branch (a financial institution incorporated under the laws of the People's Republic of China with limited liability)

as Original Lender

/s/ Zhu Jun

Name: Zhu Jun

Title: Deputy Chief Executive Officer

/s/ Wu Yue

Name: Wu Yue

Title: General Manager of Investment Banking Department II

(Signature Pages)

Agent
Citicorp International Limited
as Agent

/s/ John Kane
Name: John Kane
Title: Vice President

(Signature Pages)

DATED December 23, 2022

SINA HONG KONG LIMITED

- and -

WEIBO HONG KONG LIMITED

AGREEMENT FOR THE SALE AND PURCHASE OF 100% OF THE EQUITY INTEREST

- of -

SINA.COM TECHNOLOGY (CHINA) CO., LTD. (新浪网技术(中国)有限公司)

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PARTIES

- (1) **SINA Hong Kong Limited** 新浪香港有限公司, a company incorporated under the Laws of Hong Kong (registered number: 660551), whose registered office is at Unit 1-3, 20/F, Futura Plaza, 111-113 How Ming Street, Kwun Tong, Kowloon, Hong Kong (the “**Seller**”); and
- (2) **Weibo Hong Kong Limited** 微博网络(香港)有限公司, a company incorporated under the Laws of Hong Kong (registered number: 1481854), whose registered office is at Unit 1-3, 20/F, Futura Plaza, 111-113 How Ming Street, Kwun Tong, Kowloon, Hong Kong (the “**Buyer**”).

BACKGROUND

The Seller has agreed to sell and the Buyer has agreed to buy the Sale Interest on the terms of this Agreement.

OPERATIVE TERMS

1. Definitions and Interpretation

1.1 In this Agreement:

“**Business Day**” means a day (except a Saturday or Sunday) on which banks are open for general banking business in Hong Kong and the PRC;

“**Buyer**” has the meaning given to it in the Preamble;

“**Buyer’s Warranty**” means a statement set out in Schedule 4 and “**Buyer’s Warranties**” means all those warranties;

“**CFETS**” means China Foreign Exchange Trading System (National Interbank Funding Centre), an organisation established under the laws of the PRC, with its registered address at No. 15 Zhongshan Dong Yi Road, Shanghai, PRC;

“**Claim**” means a claim for breach of any term of the Transaction Documents;

“**Company**” means Sina.com Technology (China) Co., Ltd. (新浪网技术(中国)有限公司) (details about which as at the date hereof are set out in part 1 of Schedule 1);

“**Company Subsidiary**” means a company listed in part 2 of Schedule 1 and “**Company Subsidiaries**” means all those companies;

“**Completion**” means completion of the sale and purchase of the Sale Interest in accordance with clause 5, which occurs on payment of the Purchase Price in accordance with this Agreement;

“**Equity Pledge**” means, as a security for the payment of the secured obligations under the Facility Agreement, the Seller pledged, by way of a first priority pledge, the 100% equity interest it holds in the Company in favor of the Security Agent;

“**Facility Agreement**” means the facility agreement (贷款协议) dated 5 March 2021 made between, among others, New Wave MMXV Limited as borrower and the Security Agent;

“**Group Company**” means the Company or a Company Subsidiary and “**Group Companies**” or “**Group**” means all those companies;

“**Encumbrance**” means a charge, debenture, mortgage, pledge, lien, security interest, title retention, assignment, restriction, right of first refusal, option, right of pre-emption, trust or other third party right or interest of any kind, whether granted for the purpose of security or not and “**Encumbrances**” means all those kinds of right or interest;

“**Equity Transfer Registration**” means the relevant registration formalities to be undertaken by the Seller with the SAMR in accordance with clause 5.4 in relation to the sale and purchase of the Sale Interest pursuant to this Agreement, as required by applicable PRC law;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“**RMB**” means Renminbi, the lawful currency of the PRC;

“**PRC**” means the People’s Republic of China which, for the purpose of this Agreement only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;

“**PRC Application Documents**” means the full set of application documents (including the PRC Filing Equity Transfer Agreement) to be submitted to the SAMR and other PRC authorities as necessary for the registration/filings of the sale and purchase of the Sale Interest in accordance with this Agreement.

“**PRC Filing Equity Transfer Agreement**” means the local equity transfer agreement substantially in the form set out in Schedule 5 (*Form of PRC Filing Equity Transfer Agreement*) (or any other form required by SAMR) to be executed by the Buyer and the Seller for PRC government filing purposes only.

“**Purchase Price**” means the purchase price for the Sale Interest to be paid on Completion in accordance with clause 3.2;

“**SAMR**” means the State Administration for Market Regulation and its local counterparts.

“**Sale Interest**” means 100% of the equity interest of the Company;

“**Security Agent**” means China Minsheng Banking Corp., Ltd. Shanghai Branch (中国民生银行股份有限公司上海分行);

“**Seller’s Warranty**” means a statement set out in Schedule 3 and “**Seller’s Warranties**” means all those warranties;

“**Transaction Documents**” means this Agreement and any other document entered into by the parties on or about the date of this Agreement in connection with the transactions contemplated hereunder;

“**US\$**” or “**USD**” means United States dollars, the lawful currency of United States of America; “**Warranty**” means a Buyer’s Warranty or a Seller’s Warranty and “**Warranties**” means all those warranties.

1.2 In this Agreement:

- (a) a reference to a clause, paragraph or schedule is, unless stated otherwise, a reference to a clause or paragraph of, or schedule to, this Agreement;
- (b) a reference in a schedule to a paragraph is, unless otherwise stated, a reference to a paragraph in that schedule or, where that schedule is split into parts, a reference to a paragraph in that part of that schedule;
- (c) a reference to any statute or statutory provision is a reference to that statute or statutory provision as re-enacted, amended or extended before the date of this Agreement and includes reference to any subordinate legislation (as re-enacted, amended or extended) made under it before the date of this Agreement;

- (d) a reference to a “**person**” includes any individual, company, corporation, firm, partnership, joint venture, association, state, state agency, institution or trust (whether or not having a separate legal personality);
 - (e) a reference to one gender is a reference to all or any genders, and words in the singular include plural and vice versa;
 - (f) a reference to a person’s “**group**” is, unless otherwise stated, a reference to that person, its subsidiaries and their subsidiaries, its holding company and any other subsidiaries of its holding company; and
 - (g) a reference to “**including**” or “**includes**” does not limit the scope of the meaning of the words preceding it.
- 1.3 The schedules form part of this Agreement and a reference to “**this Agreement**” includes its schedules.
- 1.4 The headings in this Agreement do not affect its interpretation.
- 1.5 This Agreement shall be binding on, and enure to the benefit of, the parties and their respective successors and permitted assigns, and references to a “**party**” shall include such party’s successors and permitted assigns.
- 1.6 Unless otherwise specified herein, where this Agreement specifies an amount in a given currency (the **specified currency**) or its **equivalent**, the **equivalent** is a reference to the amount of any other currency which, when converted into the specified currency utilising the rate of exchange for the purchase of the specified currency with that other currency published by the CFETS on the relevant date, is equal to the relevant amount in the specified currency. For the purpose of calculating the Purchase Price, the parties agree to apply the exchange rate equivalent to the central parity of RMB against USD published by the CFETS on the date of payment of the Purchase Price in accordance with this Agreement.
2. **SALE AND PURCHASE**
- 2.1 The Seller shall sell and the Buyer shall buy the Sale Interest, subject to the Equity Pledge, and together with all rights attaching or accruing to it.
3. **PURCHASE PRICE**
- 3.1 The Purchase Price is USD equivalent of RMB 1,506,630,000.
- 3.2 The Buyer must pay the Purchase Price in cash on Completion in accordance with the provisions of paragraph 2.1 of Schedule 2.
4. **CONDITIONS**
- 4.1 Completion is conditional on the following conditions being satisfied, or waived by the Buyer pursuant to clause 4.4:
- (a) a copy of each Transaction Document duly executed by the parties thereto;
 - (b) a copy of the minutes or written resolutions of the board of directors of the Seller (and, if required by the law of its jurisdiction or its articles of association, by-laws or equivalent constitutional documents, of its shareholder(s)) authorising the Seller’s execution of each Transaction Document to which it is a party and performance of its obligations under it; and
 - (c) a copy of the minutes or written resolutions of the board of directors of the Buyer (and, if required by the law of its jurisdiction or its articles of association, by-laws or equivalent

constitutional documents, of its shareholder(s)) authorising the Buyer's execution of each Transaction Document to which it is a party and performance of its obligations under it.

- 4.2 The Seller will use all reasonable endeavours to procure that each condition set out in clause 4.1 is satisfied as soon as practicable. The Seller will give evidence in a form reasonably satisfactory to the Buyer of satisfaction of the conditions set out in clause 4.1, such evidence to be given as soon as possible and in any event within one (1) Business Day of satisfaction.
- 4.3 The Buyer will provide reasonable assistance in relation to satisfaction of clauses 4.1, including but not limited to the signing of the Transaction Documents to which it is a party and the relevant corporate authorizations.
- 4.4 The Buyer may at its complete discretion, by notice to the Seller, waive a condition set out in clause 4.1 either in whole or in part.

5. **COMPLETION**

- 5.1 Completion must take place at the offices of the Buyer (or at another location agreed in writing between the Buyer and Seller) on the second (2nd) Business Day after the date on which the conditions set out in clause 4 have been achieved and evidence of satisfaction given in accordance with clause 4.2 or waived, or any date as may be agreed between the Seller and the Buyer.
- 5.2 At Completion, the Seller and the Buyer must comply with their respective obligations set out in Schedule 2. The Seller and the Buyer further confirm that the assets and documents of the Company listed in paragraph 1.1 of Schedule 2 do not need to be physically delivered, and the deposit of those in the Company shall be deemed as the Seller's obligations at Completion hereunder.
- 5.3 Neither party is obliged to complete this agreement unless each of the Buyer and the Seller complies with all its obligations under Schedule 2 simultaneously.
- 5.4 The Seller undertakes to the Buyer that it shall, as soon as practicable, upon occurrence of the Completion:
- (a) use commercially reasonable effort to procure the release of the Equity Pledge and the completion of the de-registration formalities with the SAMR; provided that the release and the de-registration shall be carried out by the Security Agent or its authorized representatives;
 - (b) complete the Equity Transfer Registration, including but not limited to the submission of the PRC Application Documents with a new business licence of the Company being issued by the SAMR; and
 - (c) complete the registration of any new legal representative, board of directors or executive director or supervisor of the Company (as the case may be) appointed by the Buyer with the SAMR.
- 5.5 The Buyer will provide reasonable assistance in relation to satisfaction of clauses 5.4, including but not limited to signing of the PRC Filing Equity Transfer Agreement, provision of the PRC Application Documents.

6. **WARRANTIES**

- 6.1 The Seller warrants to the Buyer that, each Seller's Warranty is true, accurate and not misleading on the date of this Agreement.
- 6.2 The Buyer warrants to the Seller that each Buyer's Warranty is true, accurate and not misleading on the date of this Agreement.

6.3 Each Warranty is a separate and independent statement and (except as expressly provided by this Agreement) is not limited or otherwise affected by any other Warranty or by any other provision of this Agreement.

6.4 Each party undertakes to indemnify and keep indemnified the other party from and against all claims, liabilities, losses, costs and expenses which such other party may suffer or incur as a result of breach of any term of the Transaction Documents (including any breach of any undertaking or Warranty given by the party under this Agreement).

7. **LIABILITY**

7.1 The aggregate liability of each party for all Claims shall not exceed the lower of (i) the amount of the actual losses incurred; or (ii) the amount equal to the Purchase Price.

7.2 Each party shall not be liable for a Claim unless notice in writing of the Claim, summarising the nature of the Claim and, as far as is reasonably practicable, the amount claimed, has been given on or before the second (2nd) anniversary of Completion.

8. **CONFIDENTIALITY**

8.1 After Completion, the Seller must:

- (a) not disclose information relating to the negotiation, existence or provisions of this Agreement or any confidential information relating to the Group Company;
- (b) not make or send or permit another person to make or send on its behalf a public announcement or circular regarding the existence or the subject matter of this Agreement, and
- (c) ensure that no member of its group discloses information relating to the negotiation, existence or provisions of this Agreement, unless:
 - (i) it has first obtained the Buyer's permission; or
 - (ii) permitted under clause 8.2.

8.2 Clause 8.1 does not apply to a disclosure or use of information if:

- (a) the disclosure or use is required by applicable law, a court of competent jurisdiction or a competent judicial, governmental, supervisory or regulatory body;
- (b) the disclosure or use is required by a rule of a stock exchange or listing authority on which the shares or other securities in a member of the disclosing person's group are listed or traded;
- (c) the disclosure is made to the directors, officers or senior employees of a member of the disclosing person's group for the purpose of ensuring compliance with the terms of this Agreement;
- (d) the disclosure or use is required for the purpose of legal proceedings arising out of this Agreement or the disclosure is required to be made to a tax authority in connection with the tax affairs of a member of the disclosing person's group; or
- (e) the disclosure is made to a professional adviser of the disclosing person, in which case the disclosing person is responsible for ensuring that the professional adviser complies with the terms of this clause 8 as if it were a party to this Agreement.

9. **ASSIGNMENT**

Neither party shall assign, transfer, mortgage, charge, subcontract, delegate, declare a trust of, or deal in any other manner with any or all of its rights and obligations under this Agreement.

10. **NOTICES**

10.1 A notice or other communication under or in connection with this Agreement shall be in writing and shall be deemed duly served in accordance with Clause 10.2 if left at or sent by registered post or facsimile transmission or other means of telecommunication in permanent written form to the address or facsimile number of the addressee's last known address (or such other address or facsimile number as the addressee has by five (5) days' prior written notice specified to all other parties hereto).

10.2 Any such notice, demand or other communication shall be deemed to be served and delivered if delivered personally, when actually delivered to the relevant address; if sent by post, 48 hours after posting; and if given or made by fax, when despatched, subject to the production of a transmission report by the machine from which the facsimile was sent which indicates that the facsimile was sent in its entirety.

11. **TAXES AND COSTS**

Each party will be responsible for its own taxes and costs incurred in connection with the negotiation, preparation, execution and implementation of this Agreement in accordance with the applicable laws.

12. **VARIATION**

A variation of this Agreement is valid only if it is in writing and duly executed by, or on behalf of, the parties.

13. **FURTHER ASSURANCE**

Each party shall do and execute or procure to be done and execute all such further acts, deeds, things and documents as may be necessary to give effect to the terms of this Agreement, and (so far as it is able) to provide such assistance as the other parties may reasonably request (including without limitation, exercising its power as shareholders) to give effect to the spirit and intent of this Agreement.

14. **WAIVER**

Failure to exercise, or a delay in exercising, a right or remedy provided by this Agreement or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by this Agreement or by law prevents the further exercise of the right or remedy or the exercise of another right or remedy. A waiver of a breach of this Agreement does not constitute a waiver of a subsequent or prior breach of this Agreement.

15. **RIGHTS AND REMEDIES ARE CUMULATIVE**

Except as expressly provided in this Agreement, the rights and remedies provided by this Agreement are cumulative and do not exclude any rights and remedies provided by law.

16. **COUNTERPARTS**

This Agreement may be entered into in any number of counterparts and any party may enter into this Agreement by executing any counterpart. A counterpart constitutes an original of this Agreement and all executed counterparts together have the same effect as if each party had executed the same document.

17. **EFFECT OF COMPLETION**

Each obligation under this Agreement which has not been fully performed by Completion remains in force after Completion. The transfer of the Sale Interest shall be effective on the date of the completion of the Equity Transfer Registration.

18. **ENTIRE AGREEMENT**

18.1 This Agreement and the other Transaction Documents constitute the entire agreement between the Buyer and the Seller in respect of the sale and purchase of the Sale Interest and supersede and extinguish any previous and contemporaneous agreement or arrangement, whether written or oral, between the Buyer and the Seller relating to the subject matter hereof and thereof.

18.2 Each party agrees and acknowledges that it has not relied on or been induced to enter into this Agreement by a warranty, statement, representation or undertaking which is not expressly included in this Agreement.

18.3 No party has any claim or remedy in respect of a warranty, statement, misrepresentation (whether negligent or innocent) or undertaking made to it by or on behalf of another party in connection with or relating to a transaction which is not expressly included in this Agreement.

18.4 Nothing in this clause 18 limits or excludes liability arising as a result of fraud, wilful concealment or wilful misconduct.

18.5 For the sole purpose of the registration and filing of the sale and purchase of the Sale Interest pursuant to this Agreement with the relevant Authorities in the PRC, the Buyer and the Seller will sign the PRC Filing Equity Transfer Agreement which will be submitted as a part of the PRC Application Documents. The parties agree that the PRC Filing Equity Transfer Agreement shall not in any form constitute an amendment to this Agreement. Should there exist any conflict between the PRC Filing Equity Transfer Agreement and this Agreement, the terms of this Agreement shall prevail.

19. **INVALIDITY**

If a provision of this Agreement is found to be illegal, invalid or unenforceable, then to the extent it is illegal, invalid or unenforceable, that provision will be given no effect and will be treated as though it were not included in this Agreement, but the validity or enforceability of the remaining provisions of this Agreement will not be affected.

20. **GOVERNING LAW AND JURISDICTION**

20.1 This Agreement is governed by and must be interpreted in accordance with PRC law without regard to the principles of conflict of laws thereunder.

20.2 The competent PRC court in Beijing, Haidian District (being the place where this Agreement is executed) has exclusive jurisdiction to settle any claim or dispute arising out of or in connection with this Agreement or the legal relationships established by this Agreement.

21. **LANGUAGE**

21.1 This Agreement is written in English. Unless otherwise provided in writing, any notice, demand, request, declaration, evidence or other communication required hereunder shall be in English or Chinese.

21.2 The parties acknowledge and agree that, notwithstanding the PRC Filing Equity Transfer Agreement, this Agreement sets forth the full understanding of the parties with respect to the subject matter hereof and accordingly (i) in the event of any inconsistency between this Agreement and the PRC Filing Equity Transfer Agreement, this Agreement shall prevail and (ii) no party shall make any

claim based on any omission or ambiguity in the PRC Filing Equity Transfer Agreement or on any conflict of the terms thereof with this Agreement.

EXECUTED by the parties on the date stated at the beginning of it.

[Signatures on following pages]

The Seller

/s/ Yang Yan

SIGNED BY

Yang Yan, its director

for and on behalf of

SINA Hong Kong Limited

新浪香港有限公司

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[Sina.com Technology (China) Co., Ltd. – Sale and Purchase Agreement]

The Buyer

/s/ Cao Fei

SIGNED BY

Cao Fei, its director

for and on behalf of

Weibo Hong Kong Limited

微博网络(香港)有限公司

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[Sina.com Technology (China) Co., Ltd. – Sale and Purchase Agreement]

SCHEDULE 1

Particulars of the Group

Part 1: The Company and the Sale Interest

Registered name	Sina.com Technology (China) Co., Ltd. (新浪网技术 (中国) 有限公司)
Unified Social Credit Number	911101087699003581
Registration authority	Administration for Market Regulation in Haidian District, Beijing
Place of incorporation	PRC
Date of incorporation	23 December 2004
Registered office	7/F, SINA Headquarters Research Building, Lot N-1 and N-2, Zhongguancun Software Park Phase II (West Expansion), Dongbeiwang West Road, Haidian District, Beijing
Term	23 December 2004 to 22 December 2024
Registered capital	US\$ 105,000,000
Management	Cao Guowei (曹国伟) (Legal Representative, Director and Manager) Wang Yan (汪延) (Director) Du Hong (杜红) (Director) Gu Haiyan (谷海燕) (Supervisor)
Business Scope	Research, development and production of computer hardware, software and peripherals, network products; technology transfer, providing advice, services and training of technology; website design and maintenance; computer system integration; consultancy services for e-commerce solutions; sales of self-produced products; advertising design, advertising production, advertising publication and advertising agency.
Registered and beneficial shareholders	
Name	Percentage of registered capital held
SINA Hong Kong Limited 新浪香港有限公司	100%
Mortgages/charges over company's registered capital or assets	None

Part 2: Corporate details of the Company Subsidiaries

Beijing Yuanxing Maiyang Information Technology Co., Ltd.

Registered name	Beijing Yuanxing Maiyang Information Technology Co., Ltd. (北京元兴迈扬信息科技有限公司)
Unified Social Credit Number	91110108MA01A8GB6W
Registration authority	Administration for Market Regulation in Haidian District, Beijing
Place of incorporation	PRC
Date of incorporation	2 February 2018
Registered office	Room 512, 5/F, SINA Headquarters Research Building, Zhongguancun Software Park Phase II, Haidian District, Beijing
Term	2 February 2018 to 1 February 2048
Registered capital	RMB 10,000,000
Management	Gu Haiyan (谷海燕) (Legal Representative, Director and Manager) MA Xiaoyue (马晓悦) (Supervisor)
Business Scope	Development, promotion, transfer, consultancy services and other services of technology; advertising design, advertising production, advertising agency and advertising publication; basic software services; application software services; computer system services; data processing (except for bank card centres and cloud computing data centres with a PUE value of 1.5 or above); organisation of cultural and artistic exchange activities (excluding business performances); business management; conference services; undertaking exhibition and display activities; consultancy of trading.
Registered and beneficial shareholders	
Name	Percentage of registered capital held
Sina.com Technology (China) Co., Ltd. (新浪网技术(中国)有限公司)	100%
Mortgages/charges over company's registered capital or assets	None

Jingning Jiaqiang Huicui Management Consulting Partnership (Limited Partnership)

Registered name	Jingning Jiaqiang Huicui Management Consulting Partnership (Limited Partnership) (景宁嘉强荟萃管理咨询合伙企业(有限合伙))
Unified Social Credit Number	91331127MA2E4H933N
Registration authority	Administration for Market Regulation in Jingning She Autonomous County, Lishui City, Zhejiang Province
Place of incorporation	PRC
Date of incorporation	6 November 2020
Registered office	Room 201, Unit 1, Building 1, No. 39, Xinxing Lane, Hongxing Street, Jingning She Autonomous County, Lishui City, Zhejiang Province
Term	Long term
Registered capital	RMB 700,000,000
Management	Lishui Jiacui Management Consulting Co., Ltd. (丽水嘉萃管理咨询有限责任公司) (General Partner)
Business Scope	General: Business management consulting; business management; information consulting services (excluding licensed information consulting services); social and economic consulting services; corporate headquarters management.
Registered partners	
Name	Percentage of registered capital held
Tianjin Heima Zongheng Equity Investment Center (Limited Partnership) (天津黑马纵横股权投资中心(有限合伙))	70.4286%
Sina.com Technology (China) Co., Ltd. (新浪网技术(中国)有限公司)	28.5714%
Lishui Jiacui Management Consulting Co., Ltd. (丽水嘉萃管理咨询有限责任公司)	1%
Mortgages/charges over company's registered capital or assets	None

SCHEDULE 2

Completion obligations

1. SELLER'S OBLIGATIONS

1.1 The Seller must ensure that the following items are delivered to the Buyer:

- (a) the originals of all licenses, approvals and permits obtained or held by the Company since its incorporation;
- (b) the official chop, financial chop and contract chop of the Company and other chops capable of representing the Company;
- (c) all corporate books, financial statements, accounts and other records of the Company since its incorporation that are available in the archives of the Company, including but not limited to cheque books, capital verification reports, audit reports (if any), board resolution and minutes, etc.;
- (d) all contracts, agreements or other written documents to which the Company is a party, including but not limited to business contracts, loan contracts, guarantee contracts, applications, approvals, memos, notices, records or other documents; and
- (e) all keys to facilities, rooms and buildings which are owned, leased or occupied by the Company.

2. BUYER'S OBLIGATIONS

2.1 At Completion the Buyer must pay the sum of RMB 1,506,630,000 (or the equivalent amount in USD as agreed between the Seller and the Buyer) by electronic transfer of funds into the account of the Sellers notified to the Buyer at least one (1) Business Day prior to the Completion in full satisfaction of the Purchase Price.

2.2 Payment in accordance with paragraph 2.1 above shall be a good and valid discharge of the Buyer's obligation to pay the Purchase Price, and the Buyer is not required to investigate the subsequent application of the monies so paid.

SCHEDULE 3

Seller's Warranties

1. POWER TO SELL THE SALE INTEREST

- 1.1 The Seller is the sole legal owner of the Sale Interest and is entitled to sell and transfer to the Buyer the full legal and beneficial ownership of the Sale Interest on the terms of this Agreement.
- 1.2 The Seller has the right, power and authority to enter into and perform its obligations under this Agreement and each other Transaction Document to which it is a party, and they constitute binding obligations on the Seller in accordance with their respective terms.
- 1.3 The Seller has taken all necessary corporate or other action to authorise the execution of, and performance by it of its obligations under each Transaction Document (to which it is a party).
- 1.4 Except as expressly contemplated in this Agreement, no approval, waiver, registration, consultation or notification is required to be obtained or made by the Seller in connection with the execution, performance or enforceability of this Agreement by the Seller.
- 1.5 Neither the execution by the Seller of this Agreement nor the performance by the Seller of any of its obligations under this Agreement will violate or conflict with:
 - (a) a provision in the constitutional documents of the Seller; or
 - (b) any material and significant contractual restrictions in an agreement or instrument which is binding on the Seller; or
 - (c) any material order or judgement of a court, tribunal or governmental or regulatory body (of Hong Kong or elsewhere) which is binding on the Seller.
- 1.6 No resolution has been passed, or step taken, in relation to the Seller for its winding-up or dissolution, or for the appointment of a liquidator, receiver, administrator, administrative receiver, monitor, supervisor or similar officer over any or all of its assets.

2. REGISTERED CAPITAL OF THE COMPANY

- 2.1 The registered capital of the Company has been fully paid and is beneficially owned and registered as set out in Part 1 of Schedule 1 free from any Encumbrance other than the Equity Pledge.

SCHEDULE 4

Buyer's Warranties

1. POWER TO PURCHASE THE SALE INTEREST

- 1.1 The Buyer has the right, power and authority to enter into and perform its obligations under this Agreement and each other Transaction Document to which it is a party, and they constitute binding obligations on the Buyer in accordance with their respective terms.
- 1.2 The Buyer has taken all necessary corporate or other action to authorise the execution of, and performance by it of its obligations under each Transaction Document (to which it is a party).
- 1.3 Except as expressly contemplated in this Agreement, no approval, waiver, registration, consultation or notification is required to be obtained or made by the Buyer in connection with the execution, performance or enforceability of this Agreement by the Buyer.
- 1.4 Neither the execution by the Buyer of this Agreement nor the performance by the Buyer of any of its obligations under this Agreement will violate or conflict with:
 - (a) a provision in the constitutional documents of the Buyer;
 - (b) any material and significant contractual restrictions in an agreement or instrument which is binding on the Buyer; or
 - (c) any material order or judgement of a court, tribunal or governmental or regulatory body (of Hong Kong or elsewhere) which is binding on the Buyer.
- 1.5 No resolution has been passed, or step taken, in relation to the Buyer for its winding-up or dissolution, or for the appointment of a liquidator, receiver, administrator, administrative receiver, monitor, supervisor or similar officer over any or all of its assets.

2. LAWFUL SOURCES OF FUNDS.

- 2.1 The Buyer shall ensure that it has sufficient funds to pay for any amount due and payable by it on the day on the date of Completion on which the Purchase Price becomes due, and that any payment by it is made with legal sources of funds.

SCHEDULE 5

PRC Filing Equity Transfer Agreement

**SHARE PURCHASE AGREEMENT
IN RESPECT OF SHOWWORLD HONGKONG LIMITED**

by and between

SHOWWORLD HOLDING LIMITED

and

WEIBO HOLDING (SINGAPORE) PTE. LTD.

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This SHARE PURCHASE AGREEMENT (the “**Agreement**”) is entered into in Haidian District, Beijing, the People’s Republic of China on March 1, 2023 by and between:

- (1) **ShowWorld Holding Limited**, a company incorporated in the British Virgin Islands with its registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (the “**Seller**”); and
- (2) **Weibo Holding (Singapore) Pte. Ltd.**, a company incorporated in Singapore with its registered office at 2 Venture Drive, #06-09 Vision Exchange, Singapore 608526 (the “**Purchaser**”)

(collectively, the “**Parties**” and each, a “**Party**”).

WHEREAS,

- (A) the Seller holds 1 ordinary share (the “**Target Share**”) of ShowWorld HongKong Limited, a company incorporated in Hong Kong with its company number being 1352627 and its registered office at Room 1903, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong (the “**Target Company**”), representing 100% of the issued shares of the Target Company;
- (B) the Target Company holds 332,615,750 shares of Inmyshow Digital Technology (Group) Co., Ltd., a company limited by shares duly established and validly existing under the laws of the PRC, the shares of which are listed and traded on the Shanghai Stock Exchange (the “**SSE**”) under stock code of 600556, with its registered address at Building 3, Beihai Software Park, 356 Sichuan Road, Beihai, Guangxi Province, PRC (“**IMS**” or the “**ListCo**”), representing 18.40% of the issued shares of the ListCo; and
- (C) the Parties hereby agree that the Seller shall sell to the Purchaser and the Purchaser shall purchase from the Seller the Target Share upon the terms and conditions set forth below (the “**Transaction**”).

The Parties agree as follows:

1. Interpretation

1.1 In this Agreement (including the Recitals):

“**Authority**” means any national, supranational, regional or local government, or any governmental, administrative, fiscal, judicial or government-owned body, department, commission, instrumentality, authority, tribunal, agency or entity, or regulatory body (or any person that exercises the functions of a regulatory body, whether or not government-owned and however constituted or titled); and

“**Business Day**” means a day on which licensed banks are open for business in Hong Kong (other than a Saturday, Sunday or public holiday or a day on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted or maintained in Hong Kong at any time between 9.00 a.m. and 5.00 p.m.);

“**Closing Date**” has the meaning ascribed to it in Clause 4.1;

“**Closing**” has the meaning ascribed to it in Clause 4.1;

“**Confidential Information**” has the meaning ascribed to it in Clause 9;

“**Consideration**” has the meaning ascribed to it in Clause 3;

“**CSRC**” means the China Securities Regulatory Commission;

“**Encumbrance**” means any mortgage, charge (fixed or floating), injunction, security, pledge, lien (whether statutory or not), right of first refusal, option, claim, title retention, priority, security interest or third party right, or other encumbrance of any kind on or with respect to any property or right;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“**Laws**” means all civil and common law, legislation, laws, regulations, subordinate legislation, treaties, rules, directives, decisions, by-laws, ordinances, circulars, codes, orders, notices, requirements, decrees, injunctions, resolutions or judgments of any governmental, quasi-governmental, administrative or regulatory body or court, regional government or association;

“**ListCo**” has the meaning ascribed to it in the Recitals means IMS Digital Technology (Group) Co., Ltd.;

“**Material Adverse Change**” has the meaning ascribed to it in Clause 4.2.1(g) of this Agreement;

“**Notice**” has the meaning ascribed to it in Clause 10.1;

“**PRC**” means the People’s Republic of China, excluding, for the purposes of this Agreement, Hong Kong, the Macau Special Administrative Region and the Taiwan area.

“**RMB**” means the lawful currency of the PRC;

“**SSE**” means the Shanghai Stock Exchange;

1.2 **Interpretation**

Unless otherwise stated in this Agreement:

- 1.2.1 “**Party**” or “**Parties**” means a party or the parties to this Agreement and includes the legal representatives, successors and permitted assigns of such party or parties;
- 1.2.2 a reference to any agreement or document is a reference to that agreement or document as amended, supplemented or novated from time to time;
- 1.2.3 a time of day is a reference to Beijing time;
- 1.2.4 words importing the singular include the plural and vice versa;
- 1.2.5 words importing a single gender shall also include the other genders;
- 1.2.6 references to Clauses and Recitals are to the clauses of and recitals to this Agreement;
- 1.2.7 references to this Agreement include its recitals, which form part of this Agreement;
- 1.2.8 references to any law include that law as re-enacted, amended or supplemented by any other legislation and any subordinate legislation made under that law;
- 1.2.9 the headings contained in this Agreement are inserted for convenience only and shall not affect its interpretation;

1.2.10 references to a “**person**” or “**persons**” shall be construed so as to include any individual, firm, limited company or other body corporate, government, state or agency of a state or any joint venture, association or partnership (whether or not having separate legal personality); and

1.2.11 references to “**including**” shall be construed as “including but not limited to”.

2. Transfer of Target Share

Subject to the terms and conditions hereof and in reliance upon the representations and warranties contained herein, the Seller agrees to sell to the Purchaser as the sole legal and beneficial owner of the Target Share, and the Purchaser agrees to acquire from the Seller, the Target Share, together with all rights attached thereto, for the Consideration on the date hereof.

3. Consideration

The consideration for the transfer of the Target Share shall be RMB 2,155,350,060 (the “**Consideration**”). The Consideration of the Transaction shall be determined by reference to the pricing mechanism for block trade of the IMS shares at the date of this Agreement, and shall be confirmed by the Parties through friendly negotiation.

4. Closing of Transfer of Target Share

4.1 Closing Date

The closing of the transfer of the Target Share (the “**Closing**”) shall take place on the date hereof or on such other date as the Parties may agree in writing (the “**Closing Date**”) at the place agreed upon by the Seller and the Purchaser.

4.2 Obligations of the Parties at the Closing

4.2.1 The obligation of the Purchaser to complete the purchase and transfer of the Target Share is subject to the satisfaction of the following conditions:

- (a) this Agreement and other relevant ancillary agreements shall have been executed and become effective;
- (b) the representations and warranties of the Seller contained in this Agreement shall be true, accurate, complete and not misleading on the date hereof and the Closing Date, and the breach of such undertaking or statement will not have any material adverse effect on the operation of the Target Company;
- (c) there shall have been no breach of this Agreement by the Parties;
- (d) the Parties shall have obtained the internal approvals necessary for their execution of this Agreement and completion of the Transaction, and the Seller shall have provided relevant supporting documents to the Purchaser;
- (e) the Parties shall take all necessary actions to perform their obligations of information disclosure in relation to the Transaction

in accordance with the relevant Laws and regulations, the rules of the SSE and the requirements of the Authorities, including but not limited to urging the ListCo to disclose the documents relating to the Transaction, make a public announcement and submit the relevant documents to the SSE within three days from the date of this Agreement; and

- (f) from the date hereof until the Closing Date, the ListCo and its subsidiaries shall have carried on their business in the ordinary course of business consistent with past practice in all material respects, and there shall have been no event, matter or circumstance having a material adverse effect on the business, operations, assets, liabilities (including contingent liabilities), condition (financial, trading or otherwise) or financial results of the ListCo and its subsidiaries (taken as a whole) (each, a “**Material Adverse Change**”). For the avoidance of doubt, the events, matters or circumstances constituting such Material Adverse Change shall mean the relevant event(s), matter(s) or circumstance(s) that individually or in the aggregate result in the losses of the ListCo and its subsidiaries in excess of RMB 15,000,000.

4.2.2 Subject to the fulfillment by the Purchaser of its obligation under Clause 4.2.3, the Seller shall deliver to the Purchaser,

On the Closing Date:

- (a) all corporate materials of the Target Company, including the register of shareholders, register of directors, register of secretaries, register of charges, register of debentures, register of transfer, corporate books of account, business registration certificate and certificate of incorporation;
- (b) the steel seal and other seals of the Target Company; and

Within ten business days after the Closing Date:

- (a) the original Instrument of Transfer and Contract Notes duly executed by the Seller in respect of the transfer of the Target Share;
- (b) the resolutions of the board of directors of the Target Company approving (i) the transfer of the Target Share from the Seller to the Purchaser, (ii) the registration of the Purchaser as the holder of the Target Share and (iii) the issuance of a share certificate for the Target Share to the Purchaser;
- (c) such other documents as may reasonably be requested by the Purchaser for the purpose of consummating the transactions contemplated hereby.

4.2.3 On the Closing Date, the Seller shall give a written payment notice to the Purchaser, specifying, among other things, the amount of the transfer price and payment method. The Purchaser shall remit the Consideration under the direction of the aforementioned payment notice. The Consideration shall be remitted in the currency of US dollars at the exchange rate equal to the median rate between RMB and US dollars as published by the

People's Bank of China on the trading day immediately prior to the Closing Date of this Agreement.

5. Representations and Warranties

5.1 Representations and Warranties of the Seller

The Seller hereby represents, warrants and undertakes to the Purchaser that:

- (a) it is a legal entity duly established and validly existing with civil capacity under the applicable Laws and has full rights, power and authority to enter into and perform its obligations under this Agreement;
- (b) the Target Share constitutes all of the issued shares of the Target Company, which has been fully paid-up and validly issued;
- (c) it is the sole legal and beneficial holder of the Target Share, and has the lawful, valid, full and exclusive ownership of the Target Share, free and clear of any Encumbrance or any recovery or claim by any third party for any reason or in any form, and it has no obligation under any Law or contract to make any further capital contribution, subscription or lending to or other investment in the Target Company;
- (d) except for the Target Share, the Target Company has no other issued securities, voting trusts, rights of first refusal, pre-emptive rights, or other rights, proxies, guarantees, options, conversion privileges, subscriptions or contracts (including the shareholders' agreements, pledge agreements and sale and purchase agreements) relating to any securities of the Target Company directly or indirectly;
- (e) to the knowledge of the Seller, there is no event, matter or circumstance having a material adverse effect that has caused or may cause the ListCo and its subsidiaries to bear losses or liabilities in excess of RMB 15,000,000, individually or cumulatively;
- (f) it has obtained all internal or external approvals, permits and filings that are required to be obtained or completed in accordance with the provisions of all applicable Laws, its articles of association and any agreement binding upon it;
- (g) this Agreement shall, once duly executed by its authorized representative, constitute a valid and binding legal document enforceable against it;
- (h) the things required to be done or complied with by it under Clause 4.2.1 have been done or complied with prior to the Closing; and
- (i) neither its execution and delivery of this Agreement nor the performance of its obligations under this Agreement will result in its breach of any agreement, deed or other document by which it is bound.

5.2 Representations and Warranties of the Purchaser

The Purchaser hereby represents, warrants and undertakes to the Seller that:

- (a) it is a legal entity duly established and validly existing with civil capacity under the applicable Laws and has full rights, power and authority to enter into and perform its obligations under this Agreement;
- (b) it has obtained all internal or external approvals, permits and filings that are required to be obtained or completed in accordance with the provisions

of all applicable Laws, its articles of association and any agreement binding upon it;

- (c) this Agreement shall, once duly executed by its authorized representative, constitute a valid and binding legal document enforceable against it;
- (d) the things required to be done or complied with by it under Clause 4.2.1 have been done or complied with prior to the Closing; and
- (e) neither its execution and delivery of this Agreement nor the performance of its obligations under this Agreement will result in its breach of any agreement, deed or other document by which it is bound.

6. Obligation of Cooperation in Public Disclosure of Information

Subject to Clause 9, the Parties hereby undertake and agree that from the date of this Agreement until the Closing Date, for the purpose of the Transaction, each Party shall perform its obligation of public disclosure of information in accordance with the Laws and regulations then applicable to it and the relevant rules of the stock exchange on which it is listed, including but not limited to providing cooperation in the provision of the information relating to the Transaction, release of public announcements, and communication with the securities regulators, and the other Party shall provide necessary and reasonable assistance. To the extent permitted by Clause 9.2(a), the Seller and the Purchaser shall, subject to the relevant Laws, adequately communicate with each other before the parent of the Seller or of the Purchaser (if applicable) makes any public announcement or communicates with securities regulators. Such obligations of the Parties to cooperate in information disclosure shall survive the Closing Date (provided that the Parties shall have the ongoing obligations to publicly disclose t information generated by the Transaction).

7. Termination

7.1 This Agreement may be terminated if any of the following events occurs:

- (a) this Agreement may be terminated prior to the Closing Date by the mutual written agreement of the Parties;
- (b) if, prior to the Closing Date, either Party materially breaches its representations and warranties or relevant obligations under this Agreement (including but not limited to failing to use its best commercial efforts to cause the Closing conditions under Clause 4.2.1 to be satisfied due to any reason) and such breach (i) is incapable of being cured or (ii) fails to be cured by the Breaching Party within thirty (30) days after the date when the Non-breaching Party gives a written notice of such breach to the Breaching Party, the Non-breaching Party shall have the right (but not an obligation) to terminate this Agreement by giving a written notice to the Breaching Party and such termination shall become effective immediately on the date when such written notice is given. In such case, the Breaching Party shall compensate the Non-breaching Party for the losses, liabilities and expenses suffered or incurred by the Non-breaching Party as a result. If the Non-breaching Party elects to terminate this Agreement, such losses, liabilities and expenses shall also include all fees

and expenses incurred for the negotiation, execution and performance of this Agreement (including but not limited to the service fees and attorneys' fees payable to the relevant professional advisers for the due diligence investigations on the Target Company and its subsidiaries); or

- (c) if the Closing conditions under Clause 4.2 have not been satisfied by June 30, 2023 (the "**Long Stop Date**") despite the commercially reasonable efforts of the Parties, either Party shall have the right to terminate this Agreement immediately by giving a written notice to the other Party, and such termination shall become effective immediately on the date when such written notice is given.

7.2 If this Agreement is terminated in accordance with the above provisions, unless the Breaching Party shall assume relevant liabilities for breach as provided in this Agreement, no new rights or obligations shall accrue or arise in relation to each Party; provided, however, that Clauses 8, 9 and 13 and the rights and obligations of each Party that have accrued or arisen as of the date of termination hereof shall not be affected by, and shall survive, such termination.

8. Liabilities for Breach

8.1 If a Party (the "**Breaching Party**") breaches any provision(s) of this Agreement and such breach causes any damage to the other Party, the Breaching Party shall bear the corresponding indemnification liability to the damaged Party (the "**Non-breaching Party**") in connection with such breach.

In particular, the Breaching Party shall indemnify the Non-breaching Party for the losses (including but not limited to diminution in value), liabilities and expenses suffered or incurred by the Non-breaching Party as a result of the following matters, if any:

- (a) any of the representations and warranties made by the Breaching Party under this Agreement (including but not limited to the relevant representations and warranties under Clause 5) is untrue, inaccurate or incomplete;
- (b) the Closing conditions under Clause 4.2 hereof fail to be satisfied by the Long Stop Date and this Agreement is terminated due to the failure of the Breaching Party to actively perform this Agreement; or
- (c) the Breaching Party fails to perform, or fails to completely or properly perform, any of the material obligations to be performed by it under this Agreement due to its own reason(s), and such failure, if it is capable of being cured, is not cured within thirty (30) days after the occurrence of such failure.

In particular, if the Purchaser fails to make any payment pursuant to the payment schedule set forth in this Agreement, the Purchaser shall pay liquidated damages for overdue payment at the daily rate of 0.02% for each day when such payment remains overdue.

8.2 The Breaching Party shall indemnify the Non-breaching Party for any losses, liabilities and reasonable expenses (including but not limited to the fees and expenses for engagement of legal counsels and other professionals) incurred by the Non-breaching Party in connection with its initiation of relevant legal proceedings

(in which a judgment is rendered in favour of the transferee), settlement or enforcement of the relevant claim under Clause 8.1 above.

8.3 The Parties acknowledge and agree that damages alone may not be an adequate remedy for a breach of this Agreement. Accordingly, in addition to claiming for damages, the Non-breaching Party shall have the right to request for cessation of damage, specific performance and/or other non-monetary remedies from the Breaching Party for its breach in accordance with the provisions of the applicable Laws.

9. Confidentiality

9.1 The Parties agree that the matters dealt with in this Agreement, all non-public information disclosed or provided by one Party to the other Party for the purpose of the transactions contemplated hereby, any and all contacts and negotiations between the Parties in connection with the transactions contemplated hereby and the existence of this Agreement shall be confidential (the “**Confidential Information**”), and none of any Party and its affiliates and its and their Representatives shall, and such Party shall cause its affiliates and such Representatives not to, disclose any such Confidential Information to any third party other than the Parties hereto without the prior written consent of the other Party.

9.2 Notwithstanding the provisions of Clause 9.1 above, this Clause 9 does not prohibit:

- (a) the disclosure or use of general information available or known to the public (other than as a result of a disclosure made in breach of this Agreement);
- (b) the disclosure by a Party to its employees, investment managers, officers, directors, agents and other representatives (collectively, the “**Representatives**”) or to its affiliates, finance parties and their Representatives any information that such recipients have a need to know; provided, however, that such recipients are bound by confidentiality obligations or professional standards in relation to the information disclosed to them;
- (c) (i) (x) the disclosure required under any applicable Law or regulation, trading rules (including but not limited to the rules of any applicable stock exchange), or the requirements of any Authority (in such case, the Party required to make such disclosure shall, to the extent legally permissible and practicable, provide the other Party with an opportunity to review and comment on such disclosure prior to such disclosure, and if such prior review is not practicable, the Party making such disclosure shall give the other Party a notice of such disclosure immediately after such disclosure), and (y) the disclosure or use of any information as required by judicial or administrative proceedings (including the arbitration proceedings with respect to any dispute, controversy, difference, claim or relevant obligations hereunder); provided, however, that in either case, the Party making such disclosure shall, to the extent practicable and legally permissible, use its commercially reasonable efforts to obtain “confidential treatment” or similar treatment for the matters contemplated hereby and to redact such provisions as may be reasonably required to be

redacted by a Party or (ii) the retention or disclosure of copies of records in connection with the enforcement of any right or remedy relating to this Agreement.

- (d) If any Party breaches the confidentiality obligation under this Clause and such breach causes any damage to the other Party, it shall compensate the other Party for the losses suffered by the other Party as a result thereof.

9.3 Each Party agrees that it shall be liable for any breach or violation of this Clause 9 by its affiliates or its or their Representatives.

10. Notices

10.1 Any notice or other communication under or in connection with this Agreement (each, a “**Notice**”) shall be in writing and shall be given to the registered office of the party, or fax number or email address set out below or to such other address, fax number or email address as the Party to which the Notice is given may specify by written notice to the Party giving the Notice at least 5 Business Days before the Notice is given:

10.1.1 Seller:

Fax:

Attention:

Email:

10.1.2 Purchaser:

Fax:

Attention:

Email:

10.2 Unless there is evidence of earlier receipt, a Notice shall be deemed to have been duly served:

10.2.1 if delivered personally, when the Notice is left at the address set out in Clause 10.1;

10.2.2 if delivered by courier service, five (5) Business Days after posting;

10.2.3 if sent by facsimile, when the sender’s facsimile machine confirms that the facsimile has been transmitted; and

10.2.4 if sent by email, at the time when the email is sent out.

11. Expenses

The expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be borne by the respective Party incurring such expenses, and the stamp duty on the transfer of the Target Share shall be borne equally by the Seller and the Purchaser.

12. General

- 12.1 This Agreement is drafted in both Chinese and English(Chinese version attached below), and if there is any conflict between the Chinese version and the English version of this Agreement, the Chinese version shall prevail.
- 12.2 This Agreement shall become effective on the date stated at the beginning of this Agreement. This Agreement may be executed in more than one counterpart, but shall not be effective until each Party has executed and sealed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute one and the same instrument.
- 12.3 Each Party undertakes to the other Party that it will execute or procure to be executed and do or procure to be done all such acts and things as shall be necessary to enable the Parties to obtain the full benefit of this Agreement.
- 12.4 This Agreement shall be binding upon and inure to the benefit of the successors of the Parties. Neither Party may assign or transfer, or purport to assign or transfer, any right or obligation under this Agreement, or create, or purport to create, any trust with respect to the foregoing, without the prior written consent of the other Party.
- 12.5 No delay or omission by a Party to exercise any right, power or remedy provided by Law or under this Agreement shall impair such right, power or remedy or be construed as a waiver of the same. No single or partial exercise of any right, power or remedy provided by Law or under this Agreement shall preclude any other or further exercise of it or the exercise of any other right, power or remedy.
- 12.6 Without prejudice to any other right or remedy which a Party may have under this Agreement, the Parties acknowledge and agree that damages may not be an adequate remedy for a breach of this Agreement and the Non-breaching Party may seek injunctions, specific performance and other non-monetary remedies (and damages) as permitted by Law and as appropriate for a threatened or actual breach of any provision of this Agreement.
- 12.7 No provision of this Agreement may be amended, supplemented, modified or waived unless set forth in an instrument in writing signed by each of the Parties.
- 12.8 Nothing in this Agreement is intended to or shall provide or confer any rights or benefits to any third party, including the employees of either Party.
- 12.9 The invalidity, illegality or unenforceability of any provision of this Agreement shall not affect the continuation in force of the remaining provisions of this Agreement.
- 12.10 This Agreement constitutes the entire understanding between the Parties with respect to the subject matter hereof and hereby supersedes all prior letters of intent, agreements, undertakings, arrangements, communications, representations or warranties, whether written or oral, made by any directors, employees or representatives of the Parties with respect to the same matter.

13. Governing Law and Jurisdiction

- 13.1 This Agreement shall be governed by, and construed in accordance with, the laws of the PRC.
- 13.2 The Parties agree that in the event of any dispute, controversy or claim arising out of or relating to this Agreement, the Parties shall first resolve the dispute through

friendly negotiation; should such negotiation fail, either Party shall have the right to submit the dispute to the competent people's court located in the place of execution of this Agreement for judgment.

IN WITNESS WHEREOF, the Parties have entered into this Agreement as of the date first above written.

(Remainder of page intentionally left blank; signature pages to follow)

Signature Page

Seller

For and on behalf of

SHOWWORLD HOLDING LIMITED

/s/ LIU YUNLI

Name: LIU YUNLI

Title: Director

Signature Page

Purchaser

For and on behalf of

WEIBO HOLDING (SINGAPORE) PTE. LTD.

/s/ CAO FEI

Name: CAO FEI

Title: Director

List of Significant Subsidiaries and Principal Variable Interest Entities*

Subsidiary	Jurisdiction of Organization
WB Online Investment Limited	Cayman Islands
Weibo Hong Kong Limited (formerly known as T.CN Hong Kong Limited)	Hong Kong
Weibo Internet Technology (China) Co., Ltd.	PRC
Hangzhou Weishichangmeng Advertising Co., Ltd.	PRC
Principal Variable Interest Entities	Jurisdiction of Organization
Beijing Weimeng Technology Co., Ltd.	PRC
Beijing Weimeng Chuangke Investment Management Co., Ltd.	PRC

* Other entities of Weibo Corporation have been omitted from this list since, considered in the aggregate as a single entity, they would not constitute a significant subsidiary.

**Certification by the Principal Executive Officer Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Gaofei Wang, certify that:

1. I have reviewed this annual report on Form 20-F of Weibo Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the period presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 27, 2023

/s/ Gaofei Wang

Name: Gaofei Wang

Title: Chief Executive Officer

**Certification by the Principal Financial Officer Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Fei Cao, certify that:

1. I have reviewed this annual report on Form 20-F of Weibo Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the period presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 27, 2023

/s/ Fei Cao

Name: Fei Cao
Title: Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the annual report of Weibo Corporation (the “Company”) on Form 20-F for the fiscal year ended December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Gaofei Wang, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 27, 2023

/s/ Gaofei Wang

Name: Gaofei Wang
Title: Chief Executive Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the annual report of Weibo Corporation (the "Company") on Form 20-F for the fiscal year ended December 31, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Fei Cao, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 27, 2023

/s/ Fei Cao

Name: Fei Cao
Title: Chief Financial Officer

Our ref YCU/688185-000001/25837433v1
Direct tel +852 3690 7529
Email Charmaine.Chow@maples.com

Weibo Corporation
8/F, QIHAO Plaza, No. 8 Xinyuan S. Road
Chaoyang District, Beijing 100027
People's Republic of China

27 April 2023

Dear Sirs,

Weibo Corporation

We have acted as legal advisers as to the laws of the Cayman Islands to Weibo Corporation, an exempted company incorporated with limited liability in the Cayman Islands (the "Company"), in connection with the filing by the Company with the United States Securities and Exchange Commission (the "SEC") of an annual report on Form 20-F for the year ended 31 December 2022 (the "Annual Report").

We hereby consent to the reference to our firm under the headings "Item 5.A Operating Results—Taxation" and "Item 10.B. Additional Information—Memorandum and Articles of Association" in the Annual Report, and we further consent to the incorporation by reference of the summary of our opinions under these headings into the Company's registration statement on Form S-8 (File No. 333-199022) that was filed on 30 September 2014, pertaining to the Company's 2010 Share Incentive Plan and 2014 Share Incentive Plan and the Company's registration statement on Form S-8 (File No. No. 333-228525) pertaining to the Company's 2014 Share Incentive Plan.

We consent to the filing with the SEC of this consent letter as an exhibit to the Annual Report. In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, or under the Securities Exchange Act of 1934, in each case, as amended, or the regulations promulgated thereunder.

Yours faithfully,

/s/Maples and Calder (Hong Kong) LLP



TransAsia Lawyers

Advisors on PRC & International Law

權亞律師事務所

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Website: www.TransAsiaLawyers.com

April 27, 2023

Weibo Corporation

8/F, QIHAO Plaza, No. 8 Xinyuan S. Road
Chaoyang District, Beijing 100027
People's Republic of China

We hereby consent to references to our name under the heading “Item 3.D. Key Information—Permissions Required from the PRC Authorities for Our Operations”, “Item 3.D. Key Information—Risk Factors—Risks Relating to Our Business”, “Item 3.D. Key Information—Risk Factors—Risks Relating to Our Corporate Structure”, “Item 3.D. Key Information—Risk Factors—Risks Relating to Doing Business in China”, “Item 4.B. Information on the Company—Business Overview—Environmental, Social and Governance”, “Item 4.B. Information on the Company—Business Overview—Regulation” and “Item 4.C. Information on the Company—Minority Investment in Weimeng” in Weibo Corporation’s annual report on Form 20-F for the year ended December 31, 2022 (the “Annual Report”), and further consent to the incorporation by reference into the Registration Statement (Form S-8 No. 333-199022) pertaining to Weibo Corporation’s 2010 Share Incentive Plan and 2014 Share Incentive Plan and Registration Statement (Form S-8 No. 333-228525) pertaining to Weibo Corporation’s 2014 Share Incentive Plan, of the summary of our opinion under the heading “Item 4.B. Information on the Company—Business Overview—Regulation” and “Item 4.C. Information on the Company—Contractual Arrangements with the VIEs and Their Respective Individual Shareholders” in the Annual Report. We also consent to the filing of this consent letter with the U.S. Securities and Exchange Commission as an exhibit to the Annual Report. We also consent to the incorporation by reference of the summaries of our opinions that appear in the registration statement on Form F-3 (No. 333-261379).

In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, or under the Securities Exchange Act of 1934, in each case, as amended, or the regulations promulgated thereunder.

Yours faithfully,
For and on behalf of

/s/TransAsia Lawyers
TransAsia Lawyers

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-228525 and 333-199022) and in the Registration Statement on Form F-3 (No. 333-261379) of Weibo Corporation of our report dated April 27, 2023 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 20-F.

/s/ PricewaterhouseCoopers Zhong Tian LLP
Beijing, the People's Republic of China
April 27, 2023
