
MARKET ARRANGEMENTS TO FACILITATE DEALINGS IN HONG KONG

REGISTRATION, DEALINGS AND SETTLEMENT

Please refer to the section headed “Information about this Document and the Introduction” for further details about: (i) registration and stamp duty; (ii) share certificates in respect of Shares registered in our Hong Kong share register; (iii) converting ADSs to Class A Ordinary Shares registered in Hong Kong; (iv) eligibility of Class A Ordinary Shares for admission into CCASS; (v) dealings in Class A Ordinary Shares on the Hong Kong Stock Exchange; and (vi) settlement information.

ARRANGEMENTS TO FACILITATE TRANSFERS TO HONG KONG AND CONVERSION OF ADSs TO SHARES

Arrangements have been made to facilitate: (a) for holders of our Class A Ordinary Shares, the migration of Shares from our principal share register in the Cayman Islands to our Hong Kong share register; and (b) for holders of ADSs, services for converting ADSs to Class A Ordinary Shares, to ensure that there would be sufficient liquidity immediately upon and shortly after, commencement of dealings in Hong Kong. Please refer to the section headed “Information about this Document and the Introduction – Depository” for further details.

If you do not currently have a broker/CCASS account open through which you can trade Hong Kong listed securities on the Hong Kong Stock Exchange, please contact a broker to open an account.

For holders of our Class A Ordinary Shares who have already submitted the specimen signature(s) to Hong Kong Share Registrar and opened a broker account in Hong Kong or otherwise have a CCASS Investor Participant stock account, such Shareholders shall make necessary arrangements with the broker or arrange personally for deposit of their Class A Ordinary Shares into the relevant CCASS Participant’s stock account or CCASS Investor Participant stock account.

For holders of our ADSs who wish to cancel their ADSs to withdraw the Class A Ordinary Shares they represent, and who have already opened a broker account in Hong Kong or otherwise have a CCASS Investor Participant stock account, such ADS holders shall instruct the broker to arrange, or arrange personally, for surrender of the ADSs to the Depository for cancellation of the ADSs and the transfer of the Class A Ordinary Shares withdrawn from the Depository’s account with the Custodian within the CCASS system to the investor’s Hong Kong stock account.

We have arranged with our principal share registrar in the Cayman Islands and Hong Kong Share Registrar to arrange for the removal of a portion of our Class A Ordinary Shares (which includes all of our Class A Ordinary Shares represented by ADSs) from our Cayman Islands share register to our Hong Kong share register prior to the Listing at no additional cost to the Shareholders.

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BRIDGING ARRANGEMENTS

Intended market arrangements during the Designated Period

Designated Dealers

We have appointed Goldman Sachs (Asia) Securities Limited as the designated securities dealer (designated dealer identity number: 7693) (the “**Designated Dealer**”) and Haitong International Securities Company Limited (designated dealer identity number: 7694) as the alternate designated securities dealer (the “**Alternate Designated Dealer**”), each being a regulated entity approved by the Hong Kong Stock Exchange, to carry out below bridging and other trading arrangements in good faith and on arm’s length terms with a view to contributing towards liquidity to meet demand for our Shares in Hong Kong and to maintain an orderly market. The Designated Dealer and the Alternate Designated Dealer have been appointed for a period of 30 calendar days commencing from the Listing Date.

The designated dealer identity numbers have been set up solely for the purposes of carrying out arbitrage trades, covered short-sales and other trades in Hong Kong as described in this document, in order to ensure identification and enhance transparency of such trades in the Hong Kong market. Any change in a designated dealer identity number will be disclosed as soon as practicable by way of announcement on the websites of our Company and the Hong Kong Stock Exchange as well as our Company’s filings with the SEC published on the SEC’s website on or before the first day of the Designated Period.

Bridging and liquidity arrangements

For a period of 30 calendar days commencing on the Listing Date (the “**Designated Period**”), the Designated Dealer, on its own account, will seek to undertake, or, under the circumstance that the trades cannot be undertaken by the Designated Dealer as a result of technical failures, request the Alternate Designated Dealer to undertake, certain trading activities in circumstances as described below. The Designated Period will end on January 20, 2023 (being the period of 30 calendar days from and including the Listing Date). The Alternate Designated Dealer will only undertake trading activities at the request of the Designated Dealer. The Designated Dealer and the Alternate Designated Dealer envisage undertaking the below activities for the purposes of facilitating the trading of our Class A Ordinary Shares in Hong Kong upon Listing and maintaining an orderly market for our Class A Ordinary Shares on the Hong Kong Stock Exchange:

- (a) *Stock borrowing arrangements.* On December 15, 2022, Goldman Sachs International as borrower, entered into a stock borrowing and lending agreement (the “**Stock Borrowing Agreement**”) with Image Frame Investment (HK) Limited as lender (the “**Lender**”) to ensure that the Designated Dealer and/or the Alternate Designated Dealer will have ready access to appropriate quantities of Class A Ordinary Shares for settlement purposes upon Listing and throughout the Designated Period.

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Pursuant to the Stock Borrowing Agreement, the Lender will make available to the borrower stock lending facilities of up to approximately 18,019,352 Class A Ordinary Shares (the “**Borrowed Shares**”), or approximately 2.5% of the Class A Ordinary Shares in issue immediately upon Listing (assuming no additional Shares are issued under the Share Incentive Plans between the Latest Practicable Date and the Listing and excluding the Class A Ordinary Shares issued to the Depositary for bulk issuance of ADSs reserved for future issuance upon the exercise or vesting of awards granted under the Share Incentive Plans), on one or more occasions, subject to applicable Laws. The Borrowed Shares will be registered on our Hong Kong share register and admitted into CCASS prior to and upon Listing. Under the Stock Borrowing Agreement, the Borrowed Shares shall be returned to the Lender within 15 business days after the expiry of the Designated Period. To close out their borrowed positions, the Designated Dealer and/or the Alternate Designated Dealer may purchase ADSs from Nasdaq and convert such ADSs into Class A Ordinary Shares or purchase Class A Ordinary Shares from the Hong Kong Stock Exchange or use any unutilised Borrowed Shares registered on our Hong Kong share register to transfer to the Lender.

If necessary, the Designated Dealer and/or the Alternate Designated Dealer may repeat the process or alternatively may purchase Class A Ordinary Shares from the Hong Kong market, in order to provide additional liquidity to meet demand for our Class A Ordinary Shares in the Hong Kong market during the Designated Period. In the unlikely event that the Borrowed Shares falls short of what is required, the Designated Dealer and the Alternate Designated Dealer will have the option to purchase additional ADSs from the U.S. market and convert these to Class A Ordinary Shares in Hong Kong in order to further facilitate the liquidity arrangements if necessary.

- (b) during the Designated Period, the Designated Dealer and the Alternate Designated Dealer will closely monitor the trading of our Class A Ordinary Shares and continue to replenish their Share inventory in the U.S. or Hong Kong market when there is a demand while carrying out the liquidity trades. Once the market opens and during the Continuous Trading Period (as defined in the Rules and Regulations of the Exchange and the Options Trading Rules (“**Rules of the Exchange**”)), the Designated Dealer and/or the Alternate Designated Dealer will adopt various pre-determined quantitative and other parameters, including continuous monitoring of bid/ask price, closing price, last recorded price, day high/low price, trading volume, intra-day volatility, availability of sell orders in the market, macro backdrop, sector and company related news, in order to form decisions of liquidity arrangements on a real-time basis and to further provide facilitation services to buyers and sellers, and as such, they may sell more stock out of their inventory. The Designated Dealer and/or the Alternate Designated Dealer will monitor the market closely to ensure on a timely basis such sell orders are placed in the market as necessary to provide and facilitate liquidity while maintaining an orderly and fair market. They will consider increasing sell orders while ensuring that they do not artificially push down share price. On the other hand, should supply exceed demand, they may opt to further build up their inventory by purchasing stock from buyers. The Designated Dealer and/or the Alternate Designated Dealer will also work on the set of parameters to provide liquidity arrangements during the Continuous Trading

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Period (as defined in the Rules of the Exchange). If the Designated Dealer and/or the Alternate Designated Dealer choose to purchase ADSs overnight on Nasdaq, the date of settlement for ADSs is on the second business day following the trade date (T+2). The Designated Dealer and/or the Alternate Designated Dealer can subsequently present ADRs evidencing such ADSs at the office of the Depositary, and send an instruction to cancel such ADSs to the Depositary. Upon payment of fees, expenses, taxes or charges and subject in all cases to the terms of the deposit agreement, the Depositary will instruct its custodian to deliver the Class A Ordinary Shares underlying the cancelled ADSs to Designated Dealer's and/or Alternate Designated Dealer's CCASS participant stock accounts provided in the instruction, in all cases 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. If there is no delay, these Shares will be available the following morning Hong Kong time (T+2) at the earliest for settlement of Shares sold on or after T+2 by the Designated Dealer and/or the Alternate Designated Dealer on the Hong Kong Stock Exchange. While such transfer of Class A Ordinary Shares take place, the Designated Dealer and/or the Alternate Designated Dealer will utilize Class A Ordinary Shares borrowed under the Stock Borrowing Agreement for settlement of the sales made in Hong Kong. Alternatively, the Designated Dealer and/or Alternate Designated Dealer may purchase Class A Ordinary Shares from the Hong Kong market to replenish their Share inventory.

- (c) The Designated Dealer and/or Alternate Designated Dealer will enter into such bridging and liquidity arrangements (including the arbitrage activities) with a view to contributing towards the liquidity of our Class A Ordinary Shares in Hong Kong, and they intend for such bridging arrangements to constitute proprietary transactions. In light of the above bridging and liquidity arrangements, our Company and the Joint Sponsors are of the view that there are adequate and effective precautionary measures in place to facilitate the maintenance of an orderly, informed and fair market in the securities of our Company upon and following its Listing in Hong Kong. Other than the Designated Dealer and the Alternate Designated Dealer, trading activities may be carried out by market participants who have access to our Class A Ordinary Shares. Also, other existing Shareholders who have converted their shareholdings into our Class A Ordinary Shares in Hong Kong upon the commencement of trading can also carry out trades in our Class A Ordinary Shares to facilitate the liquidity of the trading of our Class A Ordinary Shares on the Hong Kong Stock Exchange. Such activities will depend on the number of market participants (other than the Designated Dealer and the Alternate Designated Dealer) who elect to enter into such bridging and liquidity arrangements.

The bridging and liquidity arrangements being implemented in connection with the Listing are not equivalent to the price stabilization activities which may be undertaken in connection with an initial public offering.

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It should be noted that each of the Designated Dealer and the Alternate Designated Dealer and any persons acting for it may, in connection with the proposed liquidity activities, maintain a long position in the Class A Ordinary Shares. There is no certainty regarding the extent, time or the period for which each of the Designated Dealer and the Alternate Designated Dealer and any persons acting for it may maintain such a long position in the Class A Ordinary Shares. The liquidation of any such long position by the Designated Dealer and the Alternate Designated Dealer or any persons acting for it may have an adverse impact on the market price of the Class A Ordinary Shares.

There are no restrictions on existing Shareholders to dispose of their Shares under Hong Kong laws. Under the Hong Kong Listing Rules, apart from the restrictions under Rules 9.09(b) (in which a waiver has been sought and obtained from the Hong Kong Stock Exchange) and 10.07 of the Listing Rules, there are no other restrictions on existing Shareholders in relation to the disposal of Shares. For further details in respect of the waiver from strict compliance with Rule 9.09(b) of the Hong Kong Listing Rules, please refer to the section headed “Waivers – Dealing in Shares prior to Listing” in this document.

Waiver in relation to short selling

Certain trades envisaged to be carried out by the Designated Dealer and the Alternate Designated Dealer during the Designated Period may constitute covered short-selling (or be deemed to constitute short-selling) under Hong Kong laws. The Rules of the Exchange prohibit short-selling other than short selling of Designated Securities (as defined in the Rules of the Exchange) during the Pre-opening Session (as defined in the Rules of the Exchange), the Continuous Trading Period (as defined in the Rules of the Exchange) and the Closing Auction Session (as defined in the Rules of the Exchange).

The Designated Dealer and the Alternate Designated Dealer, have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, an exemption: (i) from the regulation to allow the Designated Dealer and the Alternate Designated Dealer to short sell the Company’s Class A Ordinary Shares which have not yet been admitted as Designated Securities; and (ii) from the regulation that a short sale shall not be made on the Hong Kong Stock Exchange below the POS reference price during the Pre-opening Session, the best current ask price during the Continuous Trading Session or the CAS reference price during the Closing Auction Session, and variation of Rule 563D(1) of the Listing Rules to permit the Designated Dealer and the Alternate Designated Dealer to conduct short selling transactions during the Pre-Opening Session, the Continuous Trading Session and the Closing Auction Session during the Designated Period despite the Shares are not designated as Designated Securities.

No person other than the Designated Dealer and the Alternate Designated Dealer (including their respective affiliates authorized to carry out trading activities) is permitted to enter into short sales of our Class A Ordinary Shares on the Hong Kong Stock Exchange during

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the Designated Period or thereafter unless the Shares are designated for short-selling by the Hong Kong Stock Exchange. Upon the expiry of the Designated Period, the Designated Dealer and the Alternate Designated Dealer will not be able to engage in further bridging and liquidity activities described above in respect of our Class A Ordinary Shares on the Hong Kong Stock Exchange unless our Class A Ordinary Shares are designated for short-selling by the Hong Kong Stock Exchange.

Spread of shareholdings

It is expected that the following measures and factors will assist in creating and/or improving the spread of holdings of our Class A Ordinary Shares available for trading on the Hong Kong Stock Exchange following the Listing.

ADS holders may at their discretion cancel their ADSs and withdraw Class A Ordinary Shares from the ADS program as described in the section headed “Information about this Document and the Introduction” in this document. For further details, please refer to the section headed “Information about this Document and the Introduction”. To the extent that existing ADS holders elect to cancel their ADSs and to receive the corresponding Class A Ordinary Shares tradable on the Hong Kong Stock Exchange shortly after Listing, such converted Class A Ordinary Shares will help contribute to the general liquidity of our Class A Ordinary Shares in the Hong Kong market.

Our Directors consider that, having regard to the arrangements described in “– Intended market arrangements during the Designated Period” and “– Investor education” in this section, all reasonable efforts have been made to facilitate the migration of our Shares to the Hong Kong share register which shall provide sufficient basis for an open market at the time of the Listing.

Benefits of bridging and liquidity arrangements

We believe that the above market arrangements will benefit the Listing in the following ways:

- (a) the above stock borrowing will ensure that the Designated Dealer and the Alternate Designated Dealer have sufficient Class A Ordinary Shares registered on our Hong Kong share register and admitted into CCASS to meet the demands of public investors in Hong Kong from the commencement of Listing and for a reasonable period of time, being the Designated Period, to maintain liquidity in the trading of our Class A Ordinary Shares on the Hong Kong Stock Exchange;
- (b) additionally, trades carried out by the Designated Dealer and the Alternate Designated Dealer during the Designated Period would be according to guidelines for the additional purpose of maintaining an orderly market in which our Class A Ordinary Shares are traded in Hong Kong;

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- (c) the bridging arrangements are perceived to be a mechanism which is fair to all market participants who have access to our Shares, as it is open to all of our Shareholders and other market participants who have such access to carry out trades similar to those to be carried out by the Designated Dealer and the Alternate Designated Dealer to facilitate the liquidity in the trading of our Class A Ordinary Shares in the Hong Kong market; and
- (d) by seeking to minimize the risk of a disorderly market developing from significant demand for Class A Ordinary Shares not fulfilled in Hong Kong upon and during the initial period after Listing.

INVESTOR EDUCATION

Arrangements involving our Company and the Joint Sponsors

Prior to the Listing, our Company and the Joint Sponsors will cooperate to inform the investor community of general information about our Company, as well as developments and/or changes to the market arrangements disclosed in this document.

After Listing, our Company and the Joint Sponsors may continue to take measures to educate the public. The following measures may be taken to enhance transparency of our Company and the market arrangements, as appropriate:

- (a) media briefings and press interviews to inform investors of the arrangements;
- (b) analyst briefings to local brokerages/research houses;
- (c) investor relations activities, such as a non-deal road show, to maintain the interest of investors in our Class A Ordinary Shares and our business;
- (d) details of the available pool of Class A Ordinary shares (with the aggregate number of Class A Ordinary Shares which have been registered on the Hong Kong share register and the inventory held by the Designated Dealer, and the designated dealer identity number(s) for carrying out liquidity activities) at the time of the Listing to meet the demand in the Hong Kong market will be disclosed by way of an announcement on the websites of our Company and the Hong Kong Stock Exchange not later than one business day before the commencement of trading of our Class A Ordinary Shares on the Hong Kong Stock Exchange;
- (e) information, including the previous day closing price of our Company, trading volume and other relevant historical trading data will be disclosed by way of a daily announcement on the websites of our Company and the Hong Kong Stock Exchange during a period of three business days prior to the commencement of dealings in our Class A Ordinary Shares on the Hong Kong Stock Exchange;

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- (f) information on developments and updates of the liquidity arrangements (for example, updates on the accumulated average daily trading volume of our Class A Ordinary Shares on the Hong Kong Stock Exchange at interim periods) will be disclosed by way of announcement on the websites of our Company and the Hong Kong Stock Exchange on a weekly basis during the Designated Period; and
- (g) electronic copies of this document will be available for public download from the websites of our Company and the Hong Kong Stock Exchange.

Historical trading information in respect of our ADSs on Nasdaq

Historical ADSs prices may not be indicative of the prices at which the ADSs will be traded following completion of the Introduction. See “Risk Factors – Risks Relating to our Shares and our ADSs” for further details. The following table summarises the reported highs, lows, month ends and monthly averages of the closing trading prices of our ADSs from June 11, 2021 to the Latest Practicable Date:

	<u>High</u>	<u>Low</u>	<u>Month End</u>	<u>Monthly average</u>
	US\$	US\$	US\$	US\$
2021				
June	42.05	36.31	39.65	38.46
July	37.10	29.46	34.45	34.04
August	36.96	32.14	36.86	34.84
September	39.09	35.47	35.99	37.20
October	38.16	32.83	35.10	35.23
November	39.68	31.98	31.98	35.62
December	40.62	29.50	34.88	34.49
2022				
January	36.92	26.00	30.29	30.98
February	34.38	29.54	32.30	32.37
March	30.54	16.03	24.91	24.80
April	28.25	19.47	23.53	23.17
May	23.72	15.45	20.22	18.94
June	28.16	19.94	26.28	24.56
July	27.78	23.51	23.51	25.02
August	24.37	19.94	23.49	21.95
September	23.75	16.88	16.88	20.91
October	19.16	10.74	10.93	14.90
November	18.82	11.95	18.82	14.76
December 1 to December 6, 2022, the Latest Practicable Date	19.54	17.90	19.51	19.12

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The following table set forth the average daily trading volume and turnover of each month of our ADSs from the commencement of trading of our ADSs on Nasdaq on June 11, 2021 to the Latest Practicable Date:

	Average daily trading volume		Average daily turnover
	(ADSs in millions)	(% of total underlying Shares)	(US\$ in millions)
2021			
June	3.17	0.8%	117.74
July	1.77	0.4%	58.16
August	0.61	0.1%	21.28
September	0.65	0.2%	24.38
October	0.84	0.2%	29.51
November	1.58	0.4%	54.27
December	4.59	1.1%	163.37
2022			
January	4.08	0.9%	125.13
February	2.69	0.6%	87.74
March	6.38	1.5%	152.91
April	2.14	0.5%	50.42
May	2.44	0.6%	46.00
June	5.57	1.3%	139.35
July	2.48	0.6%	62.61
August	3.70	0.8%	82.88
September	1.64	0.4%	33.84
October	2.49	0.6%	33.69
November	2.89	0.7%	43.75
December 1 to December 6, 2022, the Latest Practicable Date	5.37	1.2%	104.16

Inventory of Shares to meet Hong Kong demand

Taking into account the average daily trading volume of our ADSs on Nasdaq in the three months prior to the Latest Practicable Date, the average daily trading volume, within one (1) month and three (3) months immediately after listings, of certain dual-listed companies recently listed in Hong Kong with market capitalization and turnover similar to that of our Company and the investor education measures as stated above, the Joint Sponsors believe that the above arrangements should provide a reasonable basis to facilitate the development of an open and orderly market in Hong Kong for the Shares.

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DISCLOSURE AND OTHER SOURCES OF INFORMATION

Disclosure of market arrangements and investor education

As disclosed in “– Investor education” above, we have, and will continue to, take various measures to keep our Shareholders, investors and the market informed about our market arrangements, including dealing activities under the bridging and liquidity arrangements, and investor education prior to and after Listing. This includes, in addition to those disclosed in “– Investor education” above, the following measures:

- (a) publishing an announcement on the websites of the Company and the Hong Kong Stock Exchange as soon as practicable and in any event before 9:00 a.m., Hong Kong time, on the business day immediately before the Listing Date disclosing the number of Class A Ordinary Shares to be removed from our principal share register in the Cayman Islands and registered on our Hong Kong share register;
- (b) the interests of, and changes in interests from the dealings of, the Designated Dealer and the Alternate Designated Dealer in our Class A Ordinary Shares will be disclosed on the website of the Hong Kong Stock Exchange in accordance with Part XV of the SFO and other applicable Laws; and
- (c) additional information about our Company can be found in our Company’s filings with the SEC published on the SEC’s website.

Sources of information

Source	Designated website
Company	ir.zhipin.com
Hong Kong Stock Exchange	www.hkexnews.hk
U.S. Securities and Exchange Commission	www.sec.gov