As filed with the Securities and Exchange Commission on October 25, 2019

Registration No. 333-234112

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

AMENDMENT NO. 1 TO
FORM F-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Q&K International Group Limited

(Exact name of Registrant as specified in its charter)

Not Applicable
(Translation of Registrant's name into English)

Cayman Islands	6510	Not Applicable
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

Suite 1607, Building A
No.596 Middle Longhua Road
Xuhui District, Shanghai, 200032
People's Republic of China
+86-21-6417-9625
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Cogency Global Inc.
10 E. 40th Street, 10th Floor
New York, NY 10016
+1-800-221-0102
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Shuang Zhao, Esq. **Cleary, Gottlieb, Steen & Hamilton LLP** **c/o 37th Floor, Hysan Place** **500 Hennessy Road** **Causeway Bay, Hong Kong** **+852 2521-4122**	**Chris K.H. Lin, Esq.** **Daniel Fertig, Esq.** **Simpson Thacher & Bartlett LLP** **c/o 35th Floor, ICBC Tower** **3 Garden Road** **Central, Hong Kong** **+852-2514-7600**

Approximate date of commencement of proposed sale to the public: as soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.

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 7(a)(2)(B) of the Securities 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.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(2)(3)	Proposed maximum offering price per share(3)	Proposed maximum aggregate offering price(2)(3)	Amount of registration fee(4)
Class A ordinary shares, par value US$0.00001 per share(1)	179,400,000	US$0.63	US$113,620,000	US$14,748

(1) American depositary shares issuable upon deposit of Class A ordinary shares registered hereby will be registered under a separate registration statement on Form F-6 (Registration No. 333-234252). Each American depositary share represents 30 Class A ordinary shares.
(2) Includes Class A ordinary shares that are issuable upon the exercise of the underwriters' over-allotment option. Also includes Class A ordinary shares initially offered and sold outside the United States that may be resold from time to time in the United States either as part of their distribution or within 40 days after the later of the effective date of this registration statement and the date the shares are first bona fide offered to the public. These Class A ordinary shares are not being registered for the purpose of sales outside the United States.
(3) Estimated solely for the purpose of determining the amount of registration fee in accordance with Rule 457(a) under the Securities Act of 1933.
(4) previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the United States Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

PROSPECTUS (Subject to Completion)
Issued October 25, 2019

5,200,000 American Depositary Shares

Q&K International Group Limited

Representing 156,000,000 Class A Ordinary Shares

This is an initial public offering of American depositary shares, or ADSs, representing Class A ordinary shares of Q&K International Group Limited.

We are offering 5,200,000 ADSs. Each ADS represents 30 Class A ordinary shares, par value US$0.00001 per share. We anticipate the initial public offering price per ADS will be between US$17.00 and US$19.00.

Prior to this offering, there has been no public market for the ADSs or our shares. We have applied to list the ADSs on the NASDAQ Global Market, under the symbol "QK."

We are an "emerging growth company" under applicable United States federal securities laws and are eligible for reduced public company reporting requirements.

See "Risk Factors" on page 18 to read about factors you should consider before buying the ADSs.

PRICE US$ PER ADS

	Price to Public	***Underwriting Discounts and Commissions(1)***	***Proceeds to Us***
Per ADS	*US$*	*US$*	*US$*
Total	*US$*	*US$*	*US$*

(1) For additional information on underwriting compensation, see "Underwriting."

We have granted the underwriters a 30-day option to purchase up to an aggregate of 780,000 additional ADSs from us at the initial public offering price less the underwriting discounts and commissions.

We have and will maintain a dual-class share structure. Our outstanding ordinary shares consist of Class A ordinary shares and Class B ordinary shares, and our founder and chief executive officer, Mr. Guangjie Jin, beneficially own all of our issued Class B ordinary shares. These Class B ordinary shares will constitute approximately 24.7% of our total issued and outstanding share capital immediately after the completion of this offering and 76.7% of the aggregate voting power of our total issued and outstanding share capital immediately after the completion of this offering, assuming the underwriters do not exercise their over-allotment option. Holders of Class A ordinary shares and Class B ordinary shares have the same rights except for voting and conversion rights. Each Class A ordinary share, upon the completion of this offering, will be entitled to one vote, and is not convertible into Class B ordinary share under any circumstance. Each Class B ordinary share, upon the completion of this offering, will be entitled to ten (10) votes and is convertible into one Class A ordinary share at any time by the holder thereof. Our dual-class ordinary share structure involves certain risks. See the relevant risk factors on page 18 of this prospectus for a detailed discussion of such risks.

Our existing shareholders, Crescent Capital Investments Ltd., Newsion One Inc., Newsion Two Inc. and Youzhen Inc., have indicated an interest that they or their affiliates may purchase an aggregate of up to US$45.0 million worth of the ADSs being offered in this offering at the initial public offering price and on the same terms as the other ADSs being offered in this offering. Assuming an initial public offering price of US$18.00 per ADS, which is the mid-point of the estimated offering price range, the number of ADSs to be purchased by these existing shareholders or their affiliates would be up to 2,500,000 ADSs. However, because these indications of interest are not binding agreements or commitments to purchase, we and the underwriters could determine to sell more, fewer or no ADSs to any of these potential purchasers, and any of these potential purchasers could determine to purchase more, fewer or no ADSs in this offering. The number of ADSs available for sale to the general public will be reduced to the extent that these existing shareholders purchase the ADSs. The underwriters will receive the same underwriting discounts and commissions on any ADSs purchased by these parties as they will on any other ADSs sold to the public in this offering. For additional information, see "Underwriting."

The United States Securities and Exchange Commission and state regulators have not approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the ADSs against payment in New York, New York on , 2019.

MORGAN STANLEY *CICC*

PRIME NUMBER CAPITAL

EVERBRIGHT SUN HUNG KAI *TIGER BROKERS* *CHINA SECURITIES INTERNATIONAL*

Prospectus dated , 2019

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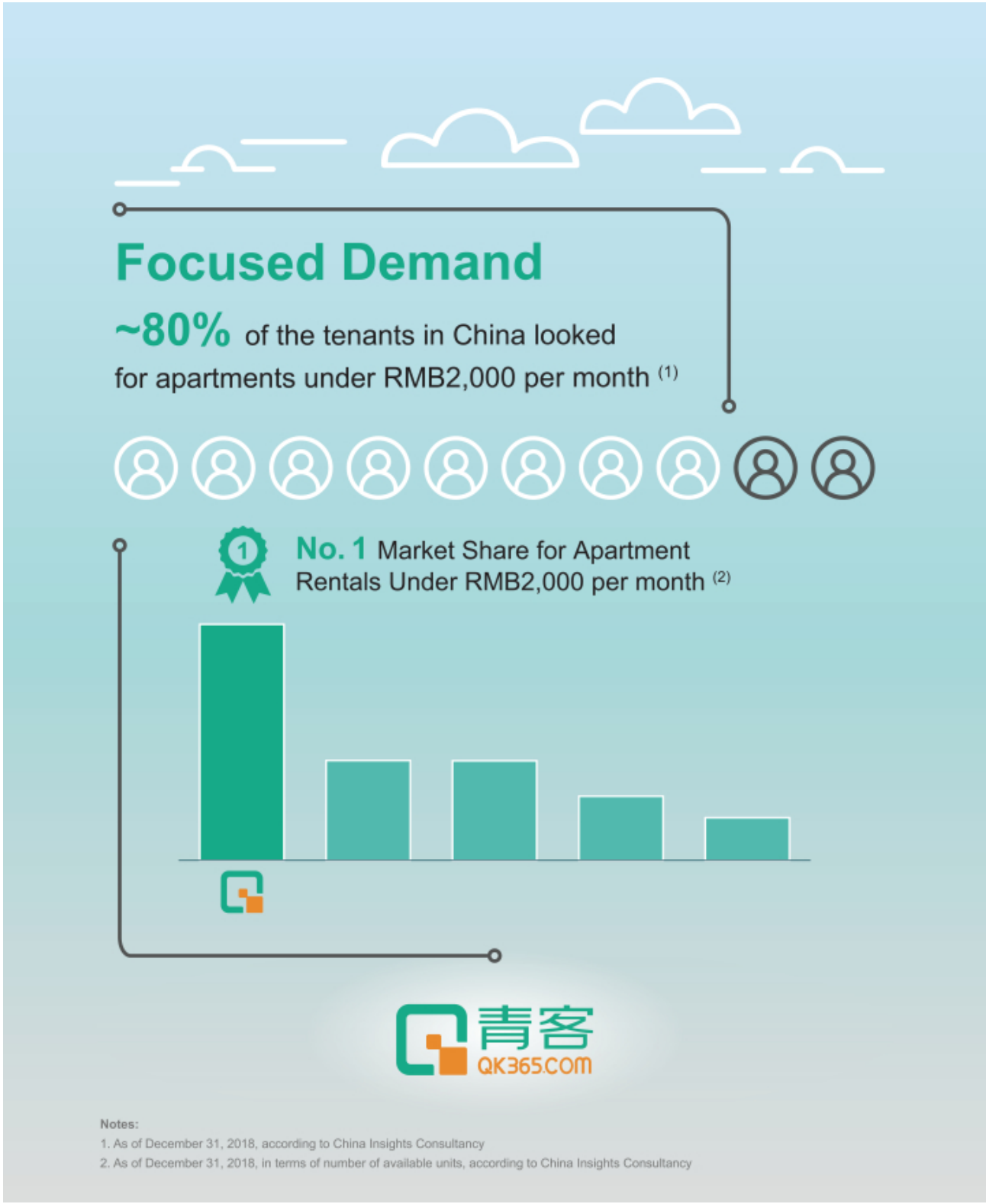

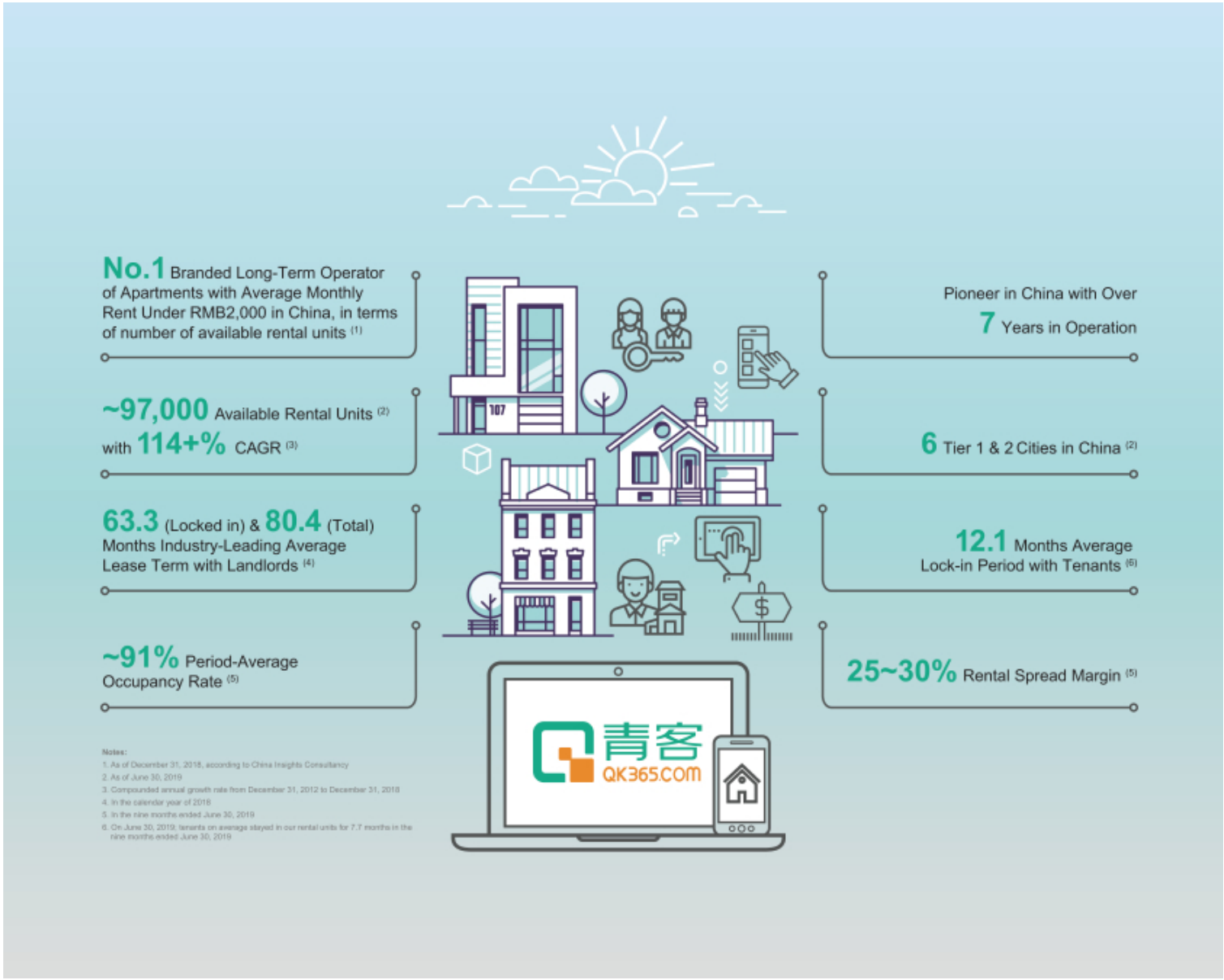
No.1 Branded Long-Term Operator of Apartments with Average Monthly Rent Under RMB2,000 in China, in terms of number of available rental units (1)
~97,000 Available Rental Units (2) with 114+% CAGR (3)
63.3 (Locked in) & 80.4 (Total) Months Industry-Leading Average Lease Term with Landlords (4)
~91% Period-Average Occupancy Rate (5)
Pioneer in China with Over 7 Years in Operation
6 Tier 1 & 2 Cities in China (2)
12.1 Months Average Lock-in Period with Tenants (6)
25~30% Rental Spread Margin (5)
Notes:
1. As of December 31, 2018, according to China Insights Consultancy
2. As of June 30, 2019
3. Compounded annual growth rate from December 31, 2012 to December 31, 2018
4. In the calendar year of 2018
5. In the nine months ended June 30, 2019
6. On June 30, 2019, tenants on average stayed in our rental units for 7.7 months in the nine months ended June 30, 2019
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QK365.COM

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No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this prospectus or in any free writing prospectus we may authorize to be delivered or made available to you. You must not rely on any unauthorized information or representations. This prospectus is an offer to sell only the ADSs offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus is current only as of its date.

Neither we nor the underwriters have done anything that would permit this offering or possession or distribution of this prospectus or any filed free writing prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus or any filed free writing prospectus must inform themselves about, and observe any restrictions relating to, the offering of the ADSs and the distribution of this prospectus or any filed free writing prospectus outside of the United States.

Until , 2019 (the 25th day after the date of this prospectus), all dealers that buy, sell or trade ADSs, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the obligation of dealers to deliver a prospectus when acting as the underwriter and with respect to its unsold allotments or subscriptions.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements appearing elsewhere in this prospectus. In addition to this summary, we urge you to read the entire prospectus carefully, especially the risks of investing in the ADSs discussed under "Risk Factors," before deciding whether to invest in the ADSs. This prospectus contains information from an industry report dated June 27, 2019, as amended in September 2019, commissioned by us and prepared by China Insights Consultancy, an independent market research firm, to provide information on China's branded long-term apartment rental market and several other markets in China, which we refer to as the China Insights Consultancy Report.

OUR BUSINESS

Our Mission

Providing homes for China's young people.

Overview

We are a leading technology-driven long-term apartment rental platform in China, offering young, emerging urban residents conveniently-located, ready-to-move-in, and affordable branded apartments as well as facilitating a variety of value-added services. We are one of the pioneers in providing branded rental apartments in China. Under our dispersed lease-and-operate model, we lease apartments from landlords and transform these apartments, mostly from bare-bones condition, into standardized furnished rooms to lease to people seeking affordable residence in cities, following an efficient, technology-driven business process. We grew significantly at 114.4% CAGR from 940 available rental units in Shanghai as of December 31, 2012, the year when we started substantial operation, to 91,234 available rental units across six cities in China as of December 31, 2018. We ranked first among branded long-term apartment operators in the Yangtze mega-city cluster centered around Shanghai, one of the most prosperous regions in China, in terms of gross rental value in 2018 and the number of available rental units as of December 31, 2018, and third among branded long-term apartment operators in China, in terms of the same metrics, according to China Insights Consultancy. We are the largest branded long-term apartment rental operator with average monthly rental less than RMB2,000 (US$291) in China, in terms of number of available rental units as of December 31, 2018, according to the same source. According to China Insights Consultancy, approximately 80% of tenants in China sought for apartments with monthly rental less than RMB2,000 (US$291) as of December 31, 2018. We achieved average month-end occupancy rates of 91.6% and 92.4% in 2017 and 2018, respectively, the highest among major branded long-term apartment rental platforms in China, according to the same source.

Driven by the rapid urbanization, rising housing prices, millennial mindsets of sharing economy, and supportive government policies, branded long-term apartment rental service is an underpenetrated, fast-growing industry in China. An increasing number of young people in China move to cities for education or work and seek affordable long-term rental apartments. Traditionally, tenants rely on rental agencies or deal with individual landlords to rent apartments and have to contact individual landlords, who at times may not be responsive, for maintenance and repair during the lease. In the meantime, landlords need to handle apartment maintenance and repair and collect rentals all by themselves. In recent years, branded apartment operators have emerged to provide a one-stop, more efficient and hassle-free rental experience for tenants as well as landlords. In addition, central and local governments in China have adopted policies to incentivize and support the growth of the apartment rental sector, including reducing rental income tax and value-added tax for apartment rental operators, and offering equal access to public services and schools to both renters and homeowners, reducing income tax,

and medical insurance and social security payment ratio for individuals with monthly income below RMB10,000.0 (US$1,456.7)—our target customer group. Compared to developed countries such as the United States, where the branded long-term apartment rental penetration rate was 46.0% in 2018, China's branded long-term apartment rental penetration rate was only 1.8% in 2018, and is expected to reach 11.2% by 2024, according to China Insights Consultancy.

Branded long-term apartment rental platforms operate under either a centralized or a dispersed model. Under the centralized model, an operator sources and operates a whole building or a few floors therein through purchasing or leasing from, or cooperating with, property owners. Under the dispersed model, an operator sources apartments from individual landlords in different locations and manage them centrally, leveraging advanced IT and mobile technologies. Compared to the centralized model, the dispersed model enjoys certain advantages, including a more abundant and flexible supply of apartments and less initial capital outlay, and is easier to achieve a nation-wide brand awareness. As a result, the dispersed model is more scalable. From 2018 to 2024, the size of the long-term apartment rental market in China under the dispersed model in terms of rent paid by tenants is expected to increase at 52.7% CAGR, compared to 45.9% CAGR for the centralized model in the same period, according to China Insights Consultancy.

We strategically focus on sourcing apartments under the dispersed model in relatively inexpensive yet convenient locations, typically near subway stations, to provide our tenants value for money. We do not own our rental apartments but lease them from our landlords under long-term leases. Our leases with landlords usually provide for a minimum term of five to six years, or lease-in contract lock-in period, and can be extended for up to two to three years. As of December 31, 2018, our average lease-in contract lock-in period was 63.3 months, the longest among major dispersed long-term apartment rental operators in China according to China Insights Consultancy. We generally lock in our lease-in cost for the first three years, with approximately 5% annual, non-compounding increase for the rest of the lease term. During the lease-in contract lock-in period, neither landlords nor us may terminate the lease without paying a penalty equal to the rentals for the remaining lease-in contract lock-in period. For leases with landlords entered into in April 2019 or after, if the monthly rentals (after discount for rental prepayment) that we receive from tenants are lower than our monthly rental to landlords for six consecutive months, we have the right to renegotiate for a lower monthly rental to landlords or terminate the relevant leases with landlords. We typically convert a leased-in apartment to add an additional bedroom, or the N+1 model, and rent each bedroom separately to individual tenants after standardized decoration and furnishing. The N+1 model further increases affordability and provides flexibilities and co-rental efficiency for tenants. Each of our rental apartments typically has three rental units. Our leases with tenants typically have a contracted lease term of 26 months. In the nine months ended June 30, 2019, the average lock-in period of our terminated leases with tenants was 11.7 months, and 68.3% of these leases with tenants had a lock-in period of 12 months or more. In the same period, 47.3% of our terminated leases with tenants were terminated before the expiration of the applicable lock-in period and tenants of 5.1% of our leases remained in their rental units through the end of the contracted lease term. If a tenant chooses to terminate the lease during the lock-in period, except for termination during the first week of the lease, the tenant's security deposit will be forfeited. After the lock-in period, the tenant may terminate the lease anytime without penalty. In 2018, tenants, on average, stayed in our rental units for 8.5 months, the longest among major dispersed long-term apartment rental operators in China, according to China Insights Consultancy. In the nine months ended June 30, 2019, tenants on average stayed in our rental units for 7.7 months.

Technology is at the core of our business. We apply technology in every step of our operational process from apartment sourcing, renovation, and tenant acquisition, to property management. This enables us to operate a large, dispersed, and fast-growing portfolio of apartments with high operational efficiency, delivering superior user experience. For example, we utilize big data analytics to establish a fair and efficient pricing mechanism. This mechanism also provides clear guidance to our apartment sourcing staff and ensures certain rental spread can be achieved during the lease term. We have also developed a technology-driven, innovative project management system to centrally manage over 170 suppliers and contractors for apartment renovation, cleaning and maintenance, monitor the work process, track the work schedules, and exert quality control. Moreover, our

intuitive mobile applications allow our tenants, landlords, and third-party service providers to execute transactions or provide services in a streamlined paperless environment. Our focus on technologies has enabled us to operate efficiently and grow rapidly while maintaining quality control.

We cooperate with third parties, including professional home service providers, e-commerce companies, and other service providers to facilitate a wide array of value-added services for our tenants. These include broadband internet and utilities. In addition, we recently launched Qingke Select, a membership-based new retail platform. These initiatives cater to tenants' lifestyle demand and help them live more conveniently and comfortably. This, in turn, helps improve our brand loyalty and increase revenue per tenant. Revenue from value-added service and others as a percentage of our net revenue increased from 2.6% in FY 2017 to 10.4% in FY 2018, and further to 11.7% in the nine months ended June 30, 2019.

We also cooperate with financial institutions to facilitate rental installment loans for our tenants in need. Our tenants can, but are not obligated to, apply for rental installment loans from our cooperative partners to prepay rental for certain lease period and enjoy rental discount during the lock-in period for the rental prepayment. Approved loan proceeds covering up to 24 months' rentals are transferred to our account at the inception of the lease. We typically pay the monthly interest on the rental installment loans to our financial institution partners for our tenants, and provide guarantee. We may also provide additional credit enhancement in the form of security deposits, usually no more than 5% of the total outstanding loan balance with the relevant financial institutions, with respect to our tenants' repayment of the loans. When a lease is terminated, either by the tenant or by us, we are typically required to return, in a lump sum, the outstanding portion of the rental installment loan. The amount represents the rental for the remaining lease term (net of the discount for rental prepayment) and we are required to deposit it into the tenant's designated account at the financial institution partner within a prescribed period of time, ranging from 0 to 31 days after the termination, which will then be immediately deducted by the financial institution partner from such account. The proceeds from rental installment loans have helped us finance our capital expenditure on decorating and furnishing newly sourced apartments. As of June 30, 2019, we cooperated with 11 financial institutions to finance rental installment loans, and the rental payment of 65.2% of the rental units offered on our platform had been financed by these rental installment loans.

As a result of our efficient and scalable business model, we have achieved rapid growth. In FY 2017 and FY 2018, we recorded net revenues of RMB522.7 million and RMB889.9 million (US$129.6 million), respectively, with a year-over-year growth of 70.3%. In the nine months ended June 30, 2018 and 2019, we recorded net revenues of RMB593.0 million and RMB897.9 million (US$130.8 million), respectively, with a period-over-period growth of 51.4%. In FY 2017 and FY 2018, our net loss was RMB245.4 million and RMB499.9 million (US$72.8 million), respectively, our EBITDA was negative RMB92.9 million and negative RMB268.1 million (US$39.0 million), respectively, and our adjusted EBITDA was negative RMB64.2 million and negative RMB221.3 million (US$32.2 million), respectively. In the nine months ended June 30, 2018 and 2019, our net loss was RMB323.6 million and RMB373.2 million (US$54.4 million), respectively, our EBITDA was negative RMB161.6 million and negative RMB146.1 million (US$21.3 million), respectively, and our adjusted EBITDA was negative RMB162.2 million and negative RMB147.9 million (US$21.5 million), respectively.

Our Strengths

We believe the following competitive strengths contribute to our success and differentiate us from our competitors:

- leading and fast-growing long-term apartment rental platform with strong brand recognition;
- proven business model with high-quality assets and innate scalability;
- high operating efficiency driven by advanced IT and mobile technologies;

- immense customer insight for optimal user experience and additional revenue opportunities; and
- experienced management team supported by a well-trained and motivated workforce.

Our Strategies

The key elements of our strategy to grow our business include:

- solidify market leadership in existing cities, and enter new cities through disciplined, return-driven expansion;
- continue to improve efficiency and quality control through enhanced technology;
- expand our value-added and new retail products and services;
- pursue an asset-light strategy;
- continue to optimize capital structure and drive down expansion cost; and
- explore strategic alliance and acquisition opportunities.

Our Challenges

Our ability to achieve our mission and execute our strategies is subject to risks and uncertainties, including those relating to:

- our limited operating history;
- our ability to achieve or maintain profitability or continue as a going concern in the future;
- our ability to access financing on favorable terms in a timely manner and maintain and expand our cooperation with financial institutions;
- our ability to attract and retain tenants;
- our ability to expand into new markets; and
- our ability to compete effectively.

In addition, we face risks and uncertainties related to our corporate structure and regulatory environment in China, including:

- we rely on contractual arrangements with our variable interest entity and its shareholders for a significant portion of our business operations, which may not be as effective as direct ownership in providing operational control;
- any failure by our variable interest entity or its shareholders to perform their obligations under our contractual arrangements with them would have a material adverse effect on our business;
- China's macro-economic conditions, particularly the long-term apartment rental market and government measures aimed at China's real estate industry and apartment rental industry could have a material adverse effect on our business and results of operations; and
- uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to us.

See "Risk Factors" and other information included in this prospectus for a discussion of these and other risks and uncertainties that we face.

Recent Developments

The table below sets forth our key operating data as of September 30, 2019, compared to the same as of June 30, 2019:

	As of June 30, 2019	As of September 30, 2019
Number of apartments contracted	29,655	30,173
Number of available apartments	28,819	28,915
Number of rental units contracted	97,621	99,656
Number of rental units under renovation	767	2,359
Number of available rental units	96,854	97,297
Number of occupied rental units	93,331	92,513
Number of vacant available rental units	3,523	4,784

We experienced growth in our number of apartments contracted, number of available apartments, number of rental units contracted, number of rental units under renovation and number of available rental units as of September 30, 2019, compared to June 30, 2019, primarily due to the expansion of our business. From June 30, 2019 to September 30, 2019, our number of occupied rental units decreased and our number of vacant available rental units increased, primarily because a larger number of tenants moved out of our rental units in the three months ended September 30, 2019, compared to the number of tenants who moved in.

In addition, our period-average occupancy rate for FY 2019 was 91.6%, which remained stable compared to FY 2018. Our period-average occupancy rate for the three months ended September 30, 2019 was 94.4%, compared to 91.2% for the three months ended September 30, 2018. As of September 30, 2019, the rental payment of 65.4% of our occupied rental units had been financed by rental installment loans.

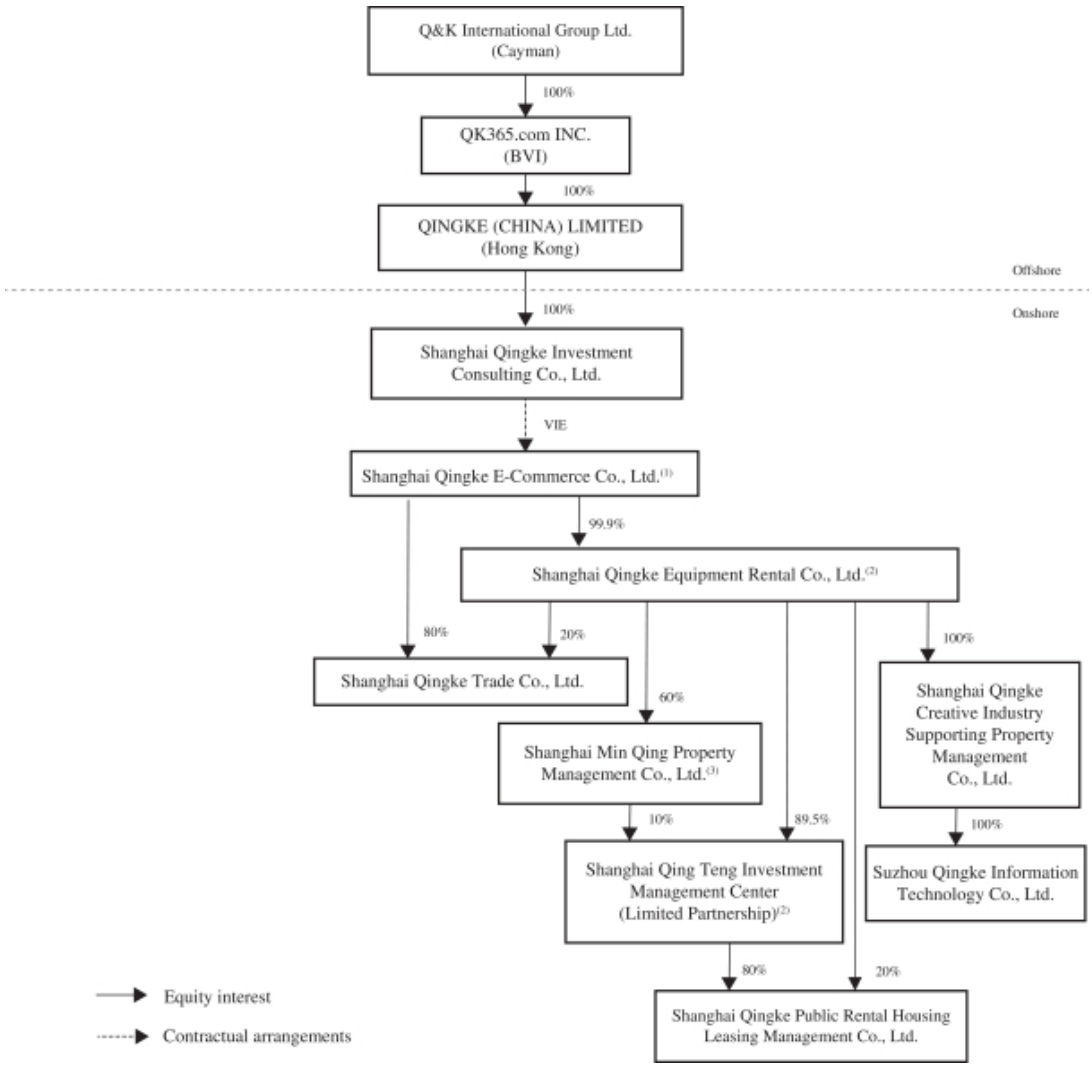
The table below sets forth the numbers of available rental units by geographic areas as of September 30, 2019, compared to the same as of June 30, 2019:

	As of June 30, 2019	As of September 30, 2019
Shanghai	62,719	61,963
Suzhou	10,430	10,313
Hangzhou	14,098	14,457
Nanjing	5,551	5,781
Wuhan	3,648	4,371
Beijing	408	412

We experienced growth in our numbers of available rental units in Hangzhou, Nanjing and Wuhan as of September 30, 2019, compared to June 30, 2019 as we continued to expand our apartment network in these cities. Our numbers of available rental units in Shanghai and Suzhou decreased from June 30, 2019 to September 30, 2019, mainly due to the expiration of a number of our leases with landlords in these cities.

Corporate Structure

The chart below summarizes our corporate structure and identifies our principal subsidiaries and other consolidated entities as of the date of this prospectus:



(1) Guangjie Jin, Xiamen Siyuan Investment Co., Ltd. and Bing Xiao are beneficial owners of the shares of Q&K E-Commerce, who hold 74.5%, 15.0% and 10.5% equity interests in Q&K E-Commerce, respectively.
(2) The remaining minority interests are ultimately owned by Mr. Guangjie Jin.
(3) The remaining minority interests are owned by third parties.

Corporate Information

Our principal executive offices are located at Suite 1607, Building A, No.596 Middle Longhua Road, Xuhui District, Shanghai, 200032, People's Republic of China. Our telephone number at this address is +86-21-6417-9625. Our registered office in the Cayman Islands is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

Investors should submit any inquiries to the address and telephone number of our principal executive offices. Our main website is *www.qk365.com*. The information contained on our website is not a part of this prospectus. Our agent for service of process in the United States is Cogency Global Inc., located at 10 E. 40th Street, 10th Floor, New York, NY 10016.

Implications of Being an Emerging Growth Company

As a company with less than US$1.07 billion in revenue for the last fiscal year, we qualify as an "emerging growth company" pursuant to the Jumpstart Our Business Startups Act of 2012, as amended, or the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, in the assessment of the emerging growth company's internal control over financial reporting. The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards. We have elected to take advantage of the extended transition period for complying with new or revised accounting standards as required when they are adopted for public companies.

We will remain an emerging growth company until the earliest of (a) the last day of our fiscal year during which we have total annual gross revenues of at least US$1.07 billion; (b) the last day of our fiscal year following the fifth anniversary of the completion of this offering; (c) the date on which we have, during the previous three year period, issued more than US$1.0 billion in non-convertible debt; or (d) the date on which we are deemed to be a "large accelerated filer" under the Securities Exchange Act of 1934, as amended, or the Exchange Act, which would occur if the market value of our ADSs that are held by non-affiliates exceeds US$700 million as of the last business day of our most recently completed second fiscal quarter. Once we cease to be an emerging growth company, we will not be entitled to the exemptions provided in the JOBS Act discussed above.

Conventions that Apply to this Prospectus

Unless otherwise indicated or the context otherwise requires in this prospectus:

- "ADSs" refers to American depositary shares, each of which represents 30 of our Class A ordinary shares;
- "apartments contracted" or "rental units contracted" refer to apartments or rental units that we have leased in from landlords, as applicable;
- "available apartments" or "available rental units" refer to the apartments or rental units in operation, as applicable, which have been renovated and ventilated and are ready to rent to tenants;
- "average month-end occupancy rate" refers to the aggregate number of leased-out rental unit nights of the last day of each month in the relevant period as a percentage of the aggregate number of available rental unit nights of the last day of each month in the relevant period;

- "average monthly rental after discount for rental prepayment" refers to gross rental value after discount for rental prepayment divided by number of leased-out rental unit nights for the relevant period times 30.5 (which representing the average number of days in a month);
- "average monthly rental before discount for rental prepayment" refers to gross rental value before discount for rental prepayment divided by number of leased-out rental unit nights for the relevant period times 30.5 (which representing the average number of days in a month);
- "China" or the "PRC" refers to the People's Republic of China, excluding, for the purposes of this prospectus only, Hong Kong, Macau and Taiwan;
- "gross rental value after discount for rental prepayment" refers to the total rental received by a rental operator from tenants for the relevant period the tenants stay in the rental operator's apartments, net of value-added tax; for avoidance of doubt, gross rental value does not include any utility fees a rental operator charges tenants for the relevant period;
- "gross rental value before discount for rental prepayment" refers to the total rental received by a rental operator from tenants for the relevant period the tenants stay in the rental operator's apartments, net of value-added tax, adding back any discount the rental operator offers for rental prepayment; for avoidance of doubt, gross rental value does not include any utility fees a rental operator charges tenants for the relevant period;
- "leading tier 2 cities" refer to Chongqing, Tianjin, Chengdu, Wuhan, Hangzhou, Nanjing, Qingdao, Changsha, Ningbo and Zhengzhou, which ranked top ten in terms of gross domestic product in 2018 among all tier 2 cities in China;
- "leased-out rental unit nights" refer to the number of nights that the rental units of a rental apartment were leased out for a relevant period;
- "long-term apartment rental" refers to apartment rental business in which the rents are normally collected on a monthly or quarterly basis, and the lease terms are normally over six months;
- "long-term apartment operator" refers to a company which operates long-term apartment rental business, collects vacant apartment resources and rents those apartments directly to tenants;
- "ordinary shares" refers to our Class A ordinary shares and Class B ordinary shares, par value US$0.00001 per share;
- "period-average occupancy rate" refers to the aggregate number of leased-out rental unit nights as a percentage of the aggregate number of available rental unit nights during the relevant period;
- "tenant renewal rate" refers to the percentage of tenants who choose to rent from the same operator after the end of the applicable lock-in period in the lease;
- "rental spread after discount for rental prepayment" refers to the difference between the average monthly rental after discount for rental prepayment on a lease to a tenant, and the monthly straight-lined rental that the rental operator pays to the landlord for the same space;
- "rental spread before discount for rental prepayment" refers to the difference between the average monthly rental before discount for rental prepayment on a lease to a tenant, and the monthly straight-lined rental that the rental operator pays to the landlord for the same space;
- "rental spread margin after discount for rental prepayment" refers to the rental spread after discount for rental prepayment as a percentage of the average monthly rental after discount for rental prepayment on a lease to a tenant on the same space;
- "rental spread margin before discount for rental prepayment" refers to the rental spread before discount for rental prepayment as a percentage of the average monthly rental before discount for rental prepayment on a lease to a tenant on the same space;

- "rental unit" refers to each bedroom in a rental apartment; we typically convert a leased-in apartment to add an additional bedroom, or the N+1 model, and rent each bedroom separately to individual tenants after standardized decoration and furnishing;
- "RMB" and "Renminbi" refer to the legal currency of China;
- "straight-lined rental" refer to the rental a rental operator pays to a landlord after adjustment to record rent holidays/rent-free period and rent escalation clauses on a straight-line basis over the term of the lease with the landlord;
- "tier 1 cities" refer to Beijing, Shanghai, Guangzhou and Shenzhen;
- "US$," "U.S. dollars," "$," and "dollars" refer to the legal currency of the United States; and
- "we," "us," "our company," "our" and "Qingke" refer to Q&K International Group Limited, its subsidiaries, variable interest entity and its subsidiaries.

Unless otherwise indicated, the number of our tenants, tenant renewal rate, average lease term of our tenants, and our other operating data in this prospectus do not take into account tenants who choose not to stay in our apartments after the first week of their leases. To encourage prospective tenants to try out our apartments, we have put in place a policy to allow a new tenant to cancel a lease within three days from the move-in date, and we will return all rental, deposits and fees penalty free. If a new tenant cancels the lease on the fourth to the seventh day, we will return all unused rental, deposit and fees penalty free. In FY 2018 and the nine months ended June 30, 2019, approximately 6.0% and 7.8% of our leases with tenants were terminated during the first week of their leases, respectively.

Our fiscal year end is September 30. "FY 2017" refers to our fiscal year ended September 30, 2017, and "FY 2018" refers to our fiscal year ended September 30, 2018.

Unless the context indicates otherwise, all information in this prospectus assumes no exercise by the underwriters of their over-allotment option.

Our reporting currency is the Renminbi. This prospectus also contains translations of certain foreign currency amounts into U.S. dollars for the convenience of the reader. Unless otherwise stated, all translations from Renminbi to U.S. dollars were made at RMB6.8650 to US$1.00, the noon buying rate on June 28, 2019 set forth in the H.10 statistical release of the U.S. Federal Reserve Board. We make no representation that the Renminbi or U.S. dollar amounts referred to in this prospectus could have been or could be converted into U.S. dollars or Renminbi, as the case may be, at any particular rate or at all. The PRC government restricts or prohibits the conversion of Renminbi into foreign currency and foreign currency into Renminbi for certain types of transactions. On October 18, 2019, the noon buying rate set forth in the H.10 statistical release of the Federal Reserve Board was RMB7.0805 to US$1.00.

THE OFFERING

Offering price	We currently estimate that the initial public offering price will be between US$17.00 and US$19.00 per ADS.
ADSs offered by us	5,200,000 ADSs (or 5,980,000 ADSs if the underwriters exercise their over-allotment option in full).
ADSs outstanding immediately after this offering	5,200,000 ADSs (or 5,980,000 ADSs if the underwriters exercise their over-allotment option in full).
Ordinary shares outstanding immediately after this offering	1,498,860,850 ordinary shares, comprised of 1,128,142,221 Class A ordinary shares and 370,718,629 Class B ordinary shares (or 1,522,260,850 ordinary shares if the underwriters exercise their over-allotment option in full to purchase an additional 23,400,000 Class A ordinary shares). This number assumes the conversion of all outstanding preferred shares into Class A ordinary shares immediately prior to the completion of this offering.
The ADSs	Each ADS represents 30 Class A ordinary shares of par value US$0.00001 per share. The depositary will hold Class A ordinary shares underlying your ADSs. You will have rights as provided in the deposit agreement among us, the depositary and all holders and beneficial owners of ADSs from time to time. We do not expect to pay dividends in the foreseeable future. If, however, we declare dividends on our Class A ordinary shares, the depositary will pay you the cash dividends and other distributions it receives on our Class A ordinary shares after deducting its fees and expenses in accordance with the terms set forth in the deposit agreement. Subject to the terms of the deposit agreement, you may surrender your ADSs to the depositary in exchange for Class A ordinary shares. The depositary will charge you fees for any exchange. We may amend or terminate the deposit agreement without your consent. If you continue to hold your ADSs after an amendment to the deposit agreement, you agree to be bound by the deposit agreement as amended. To better understand the terms of the ADSs, you should carefully read the “Description of American

	Depositary Shares" section of this prospectus. You should also read the deposit agreement, which is filed as an exhibit to the registration statement that includes this prospectus.
Ordinary shares	Our ordinary shares will be divided into Class A ordinary shares and Class B ordinary shares immediately prior to the completion of this offering. Holders of Class A ordinary shares and Class B ordinary shares will have the same rights except for voting and conversion rights. In respect of matters requiring a shareholder vote, each Class A ordinary share will be entitled to one vote, and each Class B ordinary share will be entitled to ten (10) votes. 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 any transfer of Class B ordinary shares by a holder thereof to any person or entity which is not an affiliate of such holder, such Class B ordinary shares shall be automatically and immediately converted into the same number of Class A ordinary shares. For a description of Class A ordinary shares and Class B ordinary shares, see "Description of Share Capital."
Over-allotment option	We have granted to the underwriters an option, exercisable within 30 days from the date of this prospectus, to purchase up to an aggregate of 780,000 additional ADSs.
Use of proceeds	We expect that we will receive net proceeds of approximately US$82.7 million from this offering, assuming an initial public offering price of US$18.00 per ADS, which is the midpoint of the estimated range of the initial public offering price, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We plan to use the net proceeds of this offering for the expansion of our apartment network, including the related capital expenditure and sales and marketing activities, continued investment in our technology systems and infrastructure, and general corporate purposes. See "Use of Proceeds" for more information.
Lock-up	We, our directors, executive officers, existing shareholders have agreed with the underwriters not to sell, transfer or dispose of any ADSs, ordinary shares or similar securities for a period of 180 days after the date of this prospectus, subject to certain

	exceptions. See “Shares Eligible for Future Sales” and “Underwriting.” Our existing shareholders, Crescent Capital Investments Ltd., Newsion One Inc., Newsion Two Inc. and Youzhen Inc., have indicated an interest that they or their affiliates may purchase an aggregate of up to US$45.0 million worth of the ADSs being offered in this offering at the initial public offering price and on the same terms as the other ADSs being offered in this offering. Assuming an initial public offering price of US$18.00 per ADS, which is the mid-point of the estimated offering price range, the number of ADSs to be purchased by these existing shareholders or their affiliates would be up to 2,500,000 ADSs. However, because these indications of interest are not binding agreements or commitments to purchase, we and the underwriters could determine to sell more, fewer or no ADSs to any of these potential purchasers, and any of these potential purchasers could determine to purchase more, fewer or no ADSs in this offering. The number of ADSs available for sale to the general public will be reduced to the extent that these existing shareholders purchase the ADSs.
Listing	We have applied to have the ADSs listed on the NASDAQ Global Market under the symbol “QK.” The ADSs and shares will not be listed on any other stock exchange or traded on any automated quotation system.
Payment and settlement	The underwriters expect to deliver the ADSs against payment therefor through the facilities of The Depository Trust Company on , 2019.
Depositary	The Bank of New York Mellon

SUMMARY CONSOLIDATED FINANCIAL AND OPERATING DATA

The following summary consolidated statements of comprehensive loss data and summary consolidated cash flows data for FY 2017 and FY 2018, and summary consolidated balance sheets data as of September 30, 2017 and 2018 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The following summary consolidated statements of comprehensive loss data and summary consolidated cash flows data for the nine months ended June 30, 2018 and 2019, and summary consolidated balance sheet data as of June 30, 2019 have been derived from our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with U.S. GAAP. Our historical results do not necessarily indicate results expected for any future periods. You should read this Summary Consolidated Financial and Operating Data section together with our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

	FY 2017	FY 2018		Nine months ended June 30, 2018	Nine months ended June 30, 2019	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands, except for share and per share data)					
Summary Consolidated Statements of Comprehensive Loss Data:						
Net revenues:						
Rental service revenue	508,910	796,940	116,087	538,652	792,746	115,476
Value-added services and others	13,827	92,997	13,547	54,372	105,192	15,323
Total net revenues	522,737	889,937	129,634	593,024	897,938	130,799
Operating costs and expenses:						
Operating cost	(547,618)	(897,959)	(130,802)	(601,906)	(959,080)	(139,706)
Selling and marketing expenses	(42,008)	(117,826)	(17,163)	(75,462)	(102,111)	(14,874)
General and administrative expenses	(34,353)	(84,953)	(12,375)	(57,774)	(76,037)	(11,076)
Research and development expenses	(44,160)	(51,947)	(7,567)	(38,145)	(38,380)	(5,591)
Pre-operation expenses	(19,934)	(117,107)	(17,059)	(88,963)	(37,066)	(5,399)
Impairment loss	(22,750)	(50,614)	(7,373)	(20,554)	(33,396)	(4,865)
Other income (expense), net	(1,460)	4,034	588	1,129	460	67
Total operating costs and expenses	(712,283)	(1,316,372)	(191,751)	(881,675)	(1,245,610)	(181,444)
Loss from operations	(189,546)	(426,435)	(62,117)	(288,651)	(347,672)	(50,645)
Interest income (expense), net	(50,136)	(77,167)	(11,241)	(55,896)	(67,907)	(9,892)
Foreign exchange gain (loss)	3	(91)	(13)	(91)	(960)	(140)
Fair value change of contingent earn-out liabilities	(5,165)	6,164	898	23,398	43,378	6,319
Loss before income taxes	(244,844)	(497,529)	(72,473)	(321,240)	(373,161)	(54,358)
Income tax expense	(596)	(2,393)	(349)	(2,376)	(40)	(6)
Net loss	(245,440)	(499,922)	(72,822)	(323,616)	(373,201)	(54,364)
Less: net income (loss) attributable to noncontrolling interests	35	(63)	(9)	(48)	(75)	(11)
Net loss attributable to Q&K International Group Limited	(245,475)	(499,859)	(72,813)	(323,568)	(373,126)	(54,353)
Deemed dividend	(58,763)	(135,545)	(19,745)	(91,826)	(185,131)	(26,967)
Net loss attributable to ordinary shareholders	(304,238)	(635,404)	(92,558)	(415,394)	(558,257)	(81,320)

The following table presents our summary consolidated balance sheets data as of September 30, 2017 and 2018 and June 30, 2019:

	As of September 30,			As of June 30, 2019	
	2017	2018			
	RMB	RMB	US$	RMB	US$
			(in thousands)		
Summary Consolidated Balance Sheets Data:					
Current assets:					
Cash and cash equivalents	365,115	103,752	15,113	342,187	49,845
Restricted cash	2,000	15,000	2,185	108,434	15,795
Accounts receivable (net of allowance)	314	475	73	998	149
Amounts due from related parties	12,541	22,505	3,278	7,427	1,082
Prepaid rents and deposit	92,687	170,683	24,863	137,864	20,082
Advance to suppliers	27,270	17,079	2,488	62,116	9,048
Other current assets	42,118	118,445	17,253	120,353	17,531
Total current assets	542,045	447,939	65,253	779,379	113,532
Non-current assets:					
Property and equipment—net	578,331	1,320,822	192,399	1,244,034	181,214
Intangible assets—net	1,714	1,232	179	703	102
Land use rights	11,307	11,021	1,605	10,806	1,574
Other assets	201	389	57	261	38
Total assets	1,133,598	1,781,403	259,493	2,035,183	296,460
Liabilities and equity:					
Current liabilities	1,173,179	1,969,883	286,947	1,720,125	250,566
Non-current liabilities	386,389	590,654	86,038	983,207	143,221
Total liabilities	1,559,568	2,560,537	372,985	2,703,332	393,787
Total mezzanine equity	368,546	644,043	93,816	1,303,227	189,836
Total Q&K International Group Limited shareholders' deficit	(812,351)	(1,440,949)	(209,897)	(1,981,073)	(288,576)
Noncontrolling interest	17,835	17,772	2,589	9,697	1,413
Total shareholders' deficit	(794,516)	(1,423,177)	(207,308)	(1,971,376)	(287,163)
Total liabilities, mezzanine equity and shareholders' deficit	1,133,598	1,781,403	259,493	2,035,183	296,460

The following table presents our summary consolidated cash flow data for FY 2017, FY 2018 and the nine months ended June 30, 2018 and 2019:

	FY 2017	FY 2018		Nine months ended June 30, 2018	2019	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)					
Summary Consolidated Cash Flow Data:						
Net cash used in operating activities	(43,589)	(117,048)	(17,051)	(98,063)	(55,689)	(8,113)
Net cash used in investing activities	(285,518)	(674,298)	(98,223)	(482,311)	(287,707)	(41,909)
Net cash provided by financing activities	649,451	539,528	78,591	514,351	675,386	98,379
Effect of foreign exchange rate changes	(238)	3,455	505	(484)	(121)	(15)
Net increase (decrease) in cash, cash equivalents and restricted cash	320,106	(248,363)	(36,178)	(66,507)	331,869	48,342
Cash, cash equivalents and restricted cash at the beginning of the period	47,009	367,115	53,476	367,115	118,752	17,298
Cash, cash equivalents and restricted cash at the end of the period	367,115	118,752	17,298	300,608	450,621	65,640

Non-GAAP Financial Measures

We use EBITDA and adjusted EBITDA, non-GAAP financial measures, as supplemental measures in evaluating and assessing our operating results.

EBITDA represents our net loss before (i) interest income (expense), net, (ii) income tax, and (iii) depreciation and amortization. Adjusted EBITDA represents our net loss before (i) interest income (expense), net, (ii) income tax, (iii) depreciation and amortization, (iv) impairment loss, (v) fair value change of contingent earn-out liabilities, and (vi) share-based compensation.

We believe that EBITDA and adjusted EBITDA help identify underlying trends in our business that could otherwise be distorted by the effect of certain expenses that we include in net loss. For example, we excluded the impact of fair value change of contingent earn-out liabilities. We recorded such contingent earn-out liabilities related to the EBITDA feature of series C and series C-1 preferred shares at fair value and re-measured it at each period-end, with the changes in the fair value recorded as an adjustment to the earnings. However, if we successfully complete a qualified IPO by December 31, 2019, the contingent earn-out liability will be extinguished.

EBITDA and adjusted EBITDA should not be considered in isolation or construed as alternatives to net loss or any other measure of performance or as an indicator of our operating performance. Investors are encouraged to review the historical non-GAAP financial measures to the most directly comparable GAAP measure. EBITDA and adjusted EBITDA presented here may not be comparable to similarly titled measure presented by other companies. In addition, EBITDA and adjusted EBITDA have certain limitations as an analytical tool. Please see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures” for more information.

The table below sets forth a reconciliation of our net loss to adjusted EBITDA and adjusted EBITDA from available rental units for the periods indicated:

	FY 2017		FY 2018			Nine months ended June 30, 2018		Nine months ended June 30, 2019		
	RMB	% of total net revenues	RMB	US$	% of total net revenues	RMB	% of total net revenues	RMB	US$	% of total net revenues
	(in thousands, except for percentages)									
Net Loss	(245,440)	(47.0)	(499,922)	(72,822)	(56.2)	(323,616)	(54.6)	(373,201)	(54,364)	(41.6)
Add/(less):										
Interest income (expense), net	50,136	9.6	77,167	11,241	8.7	55,896	9.4	67,907	9,892	7.6
Income tax expense	596	0.1	2,393	349	0.3	2,376	0.4	40	6	0.0
Depreciation and amortization	101,786	19.5	152,311	22,187	17.1	103,736	17.5	159,180	23,187	17.7
EBITDA	(92,922)	(17.8)	(268,051)	(39,045)	(30.1)	(161,608)	(27.3)	(146,074)	(21,279)	(16.3)
Add:										
Impairment loss	22,750	4.4	50,614	7,373	5.7	20,554	3.5	33,396	4,865	3.7
Fair value change of contingent earn-out liabilities(1)	5,165	1.0	(6,164)	(898)	(0.7)	(23,398)	(3.9)	(43,378)	(6,319)	(4.8)
Share-based compensation	775	0.1	2,252	328	0.3	2,252	0.4	8,173	1,191	0.9
Adjusted EBITDA(2)	(64,232)	(12.3)	(221,349)	(32,242)	(24.8)	(162,200)	(27.3)	(147,883)	(21,542)	(16.5)

(1) related to our contingent earn-out liabilities to series C and C-1 preferred shareholders.

(2) includes lease cost of RMB40,252 thousand, RMB192,878 thousand (US$28,096 thousand), RMB133,031 thousand, and RMB44,615 thousand (US$6,499 thousand) in FY 2017, FY 2018 and the nine months ended June 30, 2018 and June 30, 2019, respectively, for which we record, but do not pay, rent in the current period. Such rent is a current operating cost and we will pay such rent in future periods.
Our landlords typically offer a 90-160-day rent-free period at the beginning of the lease, in which we have possession of the rental apartments but are not required to pay any cash lease costs, and we use the rent-free period to renovate the rental apartments. This is a common arrangement in our industry. Additionally, we pay a fixed rent to our landlords typically with an approximately 5% annual, non-compounding increase after the first three years of the lease term. Under U.S. GAAP, we are required to record rent-free periods and lease cost escalations on a straight-line basis over the term of the lease. In other words, we are required to record the total of all payments due under the lease evenly over the period of the lease, regardless of what our cash lease cost obligations may be in a particular period.

Summary Operating Data

The table below sets forth our key operating data as of September 30, 2017 and 2018 and June 30, 2018 and 2019:

	As of September 30,		As of June 30,	
	2017	2018	2018	2019
Number of apartments contracted	14,616	29,129	25,472	29,655
Number of available apartments	13,288	25,698	22,394	28,819
Number of rental units contracted	48,410	96,529	83,227	97,621
Number of rental units under renovation	4,211	12,581	8,914	767
Number of available rental units	44,199	83,948	74,313	96,854
Number of occupied rental units	40,890	77,266	68,249	93,331
Number of vacant available rental units	3,309	6,682	6,064	3,523

The table below sets forth the numbers of available rental units as of September 30, 2017 and 2018 and June 30, 2018 and 2019:

	As of September 30,		As of June 30,	
	2017	2018	2018	2019
Shanghai	39,187	58,769	55,167	62,719
Suzhou	3,708	8,377	6,920	10,430
Hangzhou	1,300	10,675	8,522	14,098
Nanjing	4	3,975	2,428	5,551
Wuhan	—	1,840	1,039	3,648
Beijing	—	312	237	408

The table below sets forth our key operating data for FY 2017, FY 2018 and the nine months ended June 30, 2018 and 2019:

			Nine months ended June 30,	
	FY 2017	FY 2018	2018	2019
Gross rental value (RMB in thousands)				
before discount for rental prepayment	570,137	858,257	582,299	847,164
after discount for rental prepayment	508,910	796,940	538,652	792,746
Period-average occupancy rate (%)	89.0	91.6	91.7	90.6
Average monthly rental (RMB)				
before discount for rental prepayment	1,299	1,272	1,279	1,149
after discount for rental prepayment	1,160	1,180	1,183	1,075
Rental spread margin (%)				
before discount for rental prepayment	33.9	30.7	30.7	25.1
after discount for rental prepayment	26.0	25.3	25.1	20.0
Average renovation cost per rental unit (RMB)	20,069	19,783	19,667	14,747

RISK FACTORS

An investment in the ADSs involves significant risks. You should consider carefully all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in the ADSs. Any of the following risks could have a material and adverse effect on our business, financial condition and results of operations. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business, prospects, financial condition, results of operations, cash flows and ability to pay dividends, and you may lose all or part of your investment.

Risks Related to Our Business and Industry

We have a limited operating history in an emerging and rapidly evolving market, which makes it difficult to evaluate our future prospects and results of operations and may increase the risk that we will not be successful. In addition, our historical growth and financial condition may not be indicative of our future growth, profitability, and financial condition.

We have a limited operating history in the branded long-term apartment rental industry, which is an emerging and rapidly evolving market in China. While we have experienced rapid growth in recent periods, we may not continue our growth or maintain our historical growth rates or financial condition. You should not consider our historical growth or financial condition as indicative of our future performance.

You should consider our future operations in light of the challenges and uncertainties that we may encounter. These risks and challenges include, among other things:

- changes in national, regional or local economic, demographic or real estate market conditions;
- changes in laws and policies on rental housing, including but not limited to rent control laws or tenant protection laws;
- changes in job markets and employment levels on a national, regional and local basis;
- overall conditions in the rental market, including:
  - macroeconomic shifts in demand for rental homes;
  - inability to lease or re-lease homes to tenants on a timely basis, on attractive terms or at all; and
  - development of branded apartment rental industry in China;
- failure of tenants to pay rent when due or otherwise perform their obligations in connection with the lease;
- significant number of early terminations of leases;
- level of competition for suitable rental homes;
- our ability to expand and manage our apartment network and maintain rapid business growth;
- our ability to maintain high occupancy rate and target rent levels;
- our ability to raise rents;
- costs and time period required to renovate rental homes;
- unanticipated repairs, capital expenditures or other costs;
- our ability to maintain or renew favorable terms with financing partners and other strategic partners;
- our ability to maintain, deepen and broaden cooperation with financial institutions, service providers and other third parties;

- our ability to develop more value-added products and services;
- our ability to effectively control our operating costs and expenses;
- our ability to maintain the proper functioning of our technology systems and infrastructure;
- disputes and potential negative publicity in connection with rental collection, eviction proceedings, quality control and other aspects of our business;
- costs resulting from the clean-up of, and liability to third parties for damages resulting from, environmental or safety problems;
- decoration and supply capabilities;
- our ability to increase our brand awareness;
- our ability to attract and retain employees; and
- changes in U.S. accounting standards regarding operating leases.

In addition, we utilize a lease-and-operate model, under which we lease apartments, usually in bare-bones condition, and lease to tenants after renovation. Therefore, we are also subject to the risks inherent in a lease-and-operate model, including:

- upfront capital outlay for apartment sourcing and renovation;
- ongoing capital needs to maintain and operate apartments; and
- mismatch between our lease term with landlords, which generally provides a lease-in contract lock-in period of five to six years, subject to the extension for another two to three years at the option of landlords, and our lease term with tenants, which generally has a contracted term of 26 months and an average lock-in period of 11.7 months in the nine month ended June 30, 2019.

Any one or more of these factors could adversely affect our business, financial condition and results of operations.

We recorded net losses in the past and may not be able to achieve or maintain profitability or continue as a going concern in the future.

We incurred net losses in FY 2017, FY 2018 and the nine months ended June 30, 2019 of RMB245.4 million, RMB499.9 million (US$72.8 million) and RMB373.2 million (US$54.4 million), respectively. As of June 30, 2019, we had an accumulated deficit of RMB2,028.6 million (US$295.5 million). Our net cash used in operating activities were RMB43.6 million, RMB117.0 million (US$17.1 million) and RMB55.7 million (US$8.1 million) for FY 2017, FY 2018 and the nine months ended June 30, 2019, respectively. Our balance of cash and cash equivalents has fluctuated and amounted to RMB365.1 million, RMB103.8 million (US$15.1 million) and RMB342.2 million (US$49.8 million) as of September 30, 2017 and 2018 and June 30, 2019, respectively. As of September 30, 2017 and 2018 and June 30, 2019, our current liabilities exceeded our current assets by RMB631.1 million, RMB1,521.9 (US$221.7 million) and RMB940.7 million (US$137.0 million), respectively. These factors raise substantial doubt about our ability to continue as a going concern. Our financial statements do not include any adjustments that might be necessary if we are unable to continue as a going concern. We will need to generate increased revenue levels in future periods to become profitable, and, even if we do, we may not be able to maintain or improve profitability as we intend to continue to spend significant funds to expand our operations, including expanding our apartment network, developing and enhancing our technology systems and infrastructure, and expanding offerings of other value-added services. Our efforts to grow our business may be more costly than we expect, and we may not be able to increase our revenue immediately or significantly to offset our operating expenses. We may incur significant losses in the future for a number of reasons, including the other risks described in this prospectus, and unforeseen expenses, difficulties, complications and delays and other unknown events. If we are unable to achieve or maintain profitability, the market price of our ADSs may significantly decrease.

Our business requires significant capital expenditure for sourcing, renovation and maintenance of rental apartments. Inability to access financing on favorable terms in a timely manner or at all would materially and adversely affect our business, results of operations, financial condition and growth prospects.

We recorded negative working capital. As of September 30, 2017 and 2018 and June 30, 2019, our current liabilities exceeded our current assets by RMB631.1 million, RMB1,521.9 million (US$221.7 million) and RMB940.7 million (US$137.0 million), respectively. Our capital expenditures totaled RMB275.7 million, RMB1,000.4 million (US$145.7 million) and RMB140.2 million (US$20.4 million) in FY 2017, FY 2018 and the nine months ended June 30, 2019, respectively. We are in need of additional funding to sustain and expand our business, and we have formulated a plan to address our liquidity problem, including but not limited to, cooperation with a rental service company to finance apartment renovation under a financing arrangement model, obtaining proceeds form our tenants' rental prepayment, and adoption of a stringent cash management policy. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources." Our management reviews our forecasted cash flows on an on-going basis to ensure that we will have sufficient capital from a combination of internally generated cash flows and proceeds from financing activities, if required, in order to fund our working capital and capital expenditures. We believe that adequate sources of liquidity will exist to fund our working capital and capital expenditures, and to meet our short-term debt obligations, other liabilities and commitments as they become due.

We utilize a lease-and-operate model. We generally incur substantial upfront capital outlay before we start to generate revenues on the relevant apartments. These include capital outlay for market research and evaluation of the target geographic area for expansion, apartment searching, prepayment of a few months' rental to our landlords, and renovation of the apartments we lease, which are usually in bare-bone condition, to add an additional bedroom and make them suitable for lease-out to tenants. We followed a disciplined and systematic process to expand our apartment network, involving comprehensive market research, site visits and other preparation work, during which period we may incur substantial operating costs and expenses. After we have identified the geographic area to expand into and available apartments to lease, the typical period from the time we enter into a lease agreement with landlords to successfully leasing out the apartment and receiving the first rental payments from tenants is approximately 80 days as of June 30, 2019, which may be significantly extended due to some factors that are beyond our control, including but not limited to, substantial delay during the renovation period due to third-party contractors' default, and inability to attract and retain tenants in a timely manner due to apartment rental market condition. Inability to timely access financing on favorable terms or at all would materially and adversely affect our apartment sourcing and expansion, which could materially and adversely affect our future business, results of operations, financial condition and growth prospects.

In addition, our rental apartments have infrastructure and appliances of varying ages and conditions. In order to maintain and operate our rental apartments, ongoing renovations and other leasehold improvements, including periodic home cleaning and replacement of furniture, fixtures and equipment, are required. These investments and expenditures also require ongoing funding and, to the extent we cannot fund these expenditures from our existing cash or cash flow generated from operations, we must borrow or raise capital through financing. If we fail to access capital that are necessary to maintain or improve the rental apartments, our rental apartments' attractiveness could be reduced, we could lose market share to our competitors and our occupancy rates may decline.

Tenants may terminate their leases during lease terms, exposing us to the risk of re-leasing our rental apartments, which we may be unable to do on a timely basis, on favorable terms or at all.

Our leases with tenants typically have a contracted lease term of 26 months. In 2018, our tenants stayed in our rental units for an average duration of 8.5 months. Our lease-out agreements usually include a lock-in period (during which termination will result in forfeiture of deposit) of 12 months or longer after the move-in date. If the market rental rates decline, we anticipate our rental revenues may be affected greater than if our leases were for longer terms. Short-term leases may result in high turnover, which involves costs such as restoring the rental

apartments, marketing costs and lower occupancy levels. Our estimates on tenant turnover rate and related cost may be less accurate than if we had more operating data upon which to base such estimates. On the other hand, we are subject to a five to six-year lease-in contract lock-in period, during which neither landlords nor us may terminate the lease without paying a penalty equal to the rentals for the remaining lease-in contract lock-in period, and continue to incur rental costs. If our monthly rentals received from tenants decrease or our tenants do not continue to stay with us, our business, results of operations and financial conditions will be materially and adversely affected.

In addition, tenants may terminate the lease during the lock-in period, subject to the forfeiture of their security deposits. In the nine months ended June 30, 2019, 47.3% of our leases with tenants were terminated before the expiration of the applicable lock-in period and only 5.1% of our leases with tenants remained in their rental units through the end of the contracted lease term. Our liquidity may be materially and adversely affected by tenants' early termination. See "—We have relied on our tenants' rental prepayments to finance our growth. To the extent a lease agreement is terminated during the rental period covered by the prepayment, we need to return the unused prepaid rentals. If a significant number of the lease agreements are terminated early, our liquidity and financial condition may be materially and adversely affected." To the extent tenants terminate the lease during the lease term, our business, results of operation and financial condition may be materially and adversely affected.

We have relied on our tenants' rental prepayments to finance our growth. To the extent a lease agreement is terminated during the rental period covered by the prepayment, we need to return the unused prepaid rentals. If a significant number of the lease agreements are terminated early, our liquidity and financial condition may be materially and adversely affected.

We encourage tenants to prepay rentals by providing them with rental discounts during the lock-in period as well as subsidizing the interests on their rental installment loans, which the tenants use to finance rental prepayments. In the event of rental installment loans, we typically receive from our financial institution partners a lump-sum payment covering up to 24 months' rent, which we can use to finance our growth without restrictions. See "Business—Our Cooperation with Financial Institutions." These rental prepayments have helped us finance our capital expenditure for apartment sourcing, renovation, and ongoing apartment maintenance and operation.

However, our tenant may terminate the lease agreement during the rental period covered by the prepayment, subject to the forfeiture of his/her security deposit should such termination take place during the lock-in period. In addition, we may terminate the lease agreement with a tenant, for example, if the tenant defaults on the repayment of his/her rental installment loan, which is granted by our financial institution partner and used by the tenant to finance his/her rental prepayment.

To the extent a lease agreement is terminated before the rental period covered by the prepayment, whether by the tenant or by us, we shall, upon such termination, return the unused prepaid rents, typically in a lump sum, to the tenant, or to our financial institution partner where the tenant has used the rental installment loan granted by such financial institution to finance his/her rental prepayment. Since tenants who prepay rental for certain lease period can enjoy rental discount for the applicable lock-in period, and tenants who terminate the lease within the lock-in period are subject to forfeiture of their security deposits, our tenants may be incentivized to terminate their lease around the end or shortly after the expiry of the applicable lock-in period. In the nine months ended June 30, 2019, 48.3% of our terminated leases with tenants were terminated during the rental period covered by the prepayment. When a significant number of lease agreements are terminated during the rental period covered by the rental prepayments, we may not have sufficient immediate funds to return all unused rents, and we may not be able to timely re-possess the apartments and identify new tenants. See "—Our results of operation, financial condition, and reputation would be adversely affected if a significant number of our tenants fail to meet their obligations in connection with the lease." Failure to adequately manage our cash and liquidity could adversely affect our business, financial condition, results of operations and cash flows.

We rely on our cooperation with a limited number of financial institutions.

As of June 30, 2019, we cooperated with 11 financial institutions, which provide rental installment loans to our tenants to finance their rental prepayments. As of June 30, 2019, our largest and second largest financial institution partners accounted for 50.5% and 29.5% of the total amount of outstanding rental loans, respectively. In line with industry practice, we provide guarantee and may also provide additional credit enhancement in the form of security deposits to our financial institution partners with respect to tenants' repayment of the rental installment loans. As of June 30, 2019, rental payment of 65.2% of our occupied rental units had been facilitated by rental installment loans.

In addition, in August 2018, we started to cooperate with a rental service company owned by a state-owned bank in apartment sourcing and renovation. Under this model for certain newly sourced apartments, we continue to be responsible for the entire operating process, including identifying potential apartments for rent, rental pricing and procuring and paying for apartment renovation. Once we have finished the renovation, the rental service company reimburses us for our costs incurred for the renovation. We make payments to the rental service company in installments equal to the reimbursed renovation costs plus interest and tax over a period of five years. At the end of the five-year period, the ownership of the renovation will be transferred to us. Under this arrangement, we also sell leasehold improvements and furniture, fixtures and equipment of certain existing apartments to the rental service company at carrying value and simultaneously lease them back. The cooperation has provided us with access to a stable source of low-cost capital to finance our apartment renovation upfront, which helps us scale in a cost-efficient manner. As of June 30, 2019, 24.1% of our total apartments were renovated pursuant to this cooperation.

If our financial institution partners reduce, discontinue or do not expand their cooperation with us, for example, as a result of changes in regulatory landscape, tightening of the credit market, default by a significant number of our tenants or otherwise, we may not be able to find alternative sources of financing on similar or better terms in a timely manner or at all, and as a result our business, financial condition and growth prospects may be materially and adversely affected.

Capital and credit market conditions may adversely affect our access to capital and/or the cost of capital, which could impact our future prospects, results of operations and growth prospectus.

In periods when the capital and credit markets experience significant volatility, the amounts, sources and cost of capital available to us may be adversely affected. We primarily use external financing to fund our expansion and renovation. If sufficient sources of external financing are not available to us on cost effective terms, we could be forced to limit our expansion and renovation and/or take other actions to fund our business activities. If economic conditions deteriorate or credit market tightens, there can be no assurance that the scope of cooperation with those financial institutions would not be terminated or reduced. To the extent that we are able and/or choose to access capital at a higher cost than we have experienced in recent years, absent changes in other factors, our earnings per share and cash flows could be adversely affected. In addition, the price of our ADSs may fluctuate significantly and/or decline in a high interest rate or volatile economic environment.

In addition, rising interest rates could increase interest costs and could affect our ability to become profitable. We currently have, and may in the future incur floating interest rate debt, which subject us to interest risks. See "—Our outstanding and future indebtedness may adversely affect our available cash flow and our ability to operate our business. In addition, we may not be able to obtain additional capital when desired, on favorable terms or at all." In addition, we pay the interest on our tenants' rental installment loans, which also exposes us to the risks associated with rising interest. If interest rates increase, our financing costs will also rise and our ability to become profitable could be adversely affected.

Our business is susceptible to China's macro-economic conditions, particularly the long-term apartment rental market and government measures aimed at China's real estate industry and apartment rental industry.

We conduct our apartment rental services business in China. Our business depends substantially on conditions of China's real estate industry, particularly the apartment rental industry. Demand for rental apartments in China has grown steadily in recent years, but the growth is often coupled with volatility and fluctuations in real estate transaction volume and prices as well as the employment rate. Fluctuations of supply and demand in China's real estate industry and apartment rental industry are caused by economic, social, political and other factors. The Chinese economy has shown slower growth since 2012 compared to the previous decade and this trend is likely to continue.

We target young people, including recent college graduates, entry level white collar workers and industry workers in cities with strong economic growth, net inflow of people, ambitious urban development plans and favorable policies supporting the development of the apartment rental market. As of June 30, 2019, we had 96,854 available rental units under management spread across China, approximately 95.8% of which (contributing to 97.5% of our rental service revenues in the nine months ended June 30, 2019) were located in the Yangtze mega-city cluster centered around Shanghai. Any severe or prolonged slowdown in China's economy, and slowdown or discontinuation of urbanization in our target markets may materially and adversely affect our business, financial condition and results of operations. Our occupancy levels and rental rates mainly depend on demands from our target tenants in the target markets. We have benefited in recent periods from the growth of the economy, rapid urbanization and geographic concentration affecting the real estate markets and apartment rental markets, including, in particular:

- soaring prices of residential real estates and extremely stringent home-buying requirements in top tier cities in China that have made it more difficult to purchase apartments, particularly for our target customers;
- favorable rental-related policies and other government support for increased rental options;
- increased number of "non-resident" population in top tier cities in China;
- favorable interest rates for financing and a strong and healthy credit market; and
- mismatch of supply and demand in China's long-term apartment rental market.

We do not expect these favorable trends in the apartment rental market to continue indefinitely. Lowered apartment purchase prices that make it more accessible to own apartments, unfavorable policies for the apartment rental markets or decrease of "non-resident" population in top tier cities may adversely affecting the apartment rental market. A softening of the apartment rental market in our target areas would materially and adversely affect our business, financial condition and results of operations.

In recent years, PRC governmental authorities put forward favorable rental-related policies, including but not limited to, increasing rental housing supply, encouraging the development of modern rental companies, and reducing rental income taxes. These policies have in part driven our growth. Meanwhile, the PRC governmental authorities also enact certain criteria to regulate the apartment rental market. For example, the State Council of the PRC promulgated Several Opinions of the General Office of the State Council on Accelerating the Cultivation and Development of the Home-Rental Market in 2016, which require the local housing authorities to strengthen the administration of the home-rental market participants, including residential tenancy enterprises, intermediary agencies and professionals, in coordination with relevant departments, and keep credit records of relevant market participants. Moreover, the Ministry of Housing and Urban-Rural Development of the PRC, or the MOHURD, published the Measures on Management of Residential tenancy and Home Sales (Discussion Draft) for public discussion in May 2017, which require the relevant PRC authorities to enhance scrutiny on (i) the terms of duration and rent adjustments in lease agreements, (ii) the filing of lease agreements, and (iii) residential tenancy enterprises. If the PRC governmental authorities adopt any prohibitive measures or policies with respect to rental housing, or the interpretation of current laws and regulations relating to the

apartment rental market becomes more restrictive and rigorous, they may depress the apartment rental market, dissuade potential tenants from renting apartments, and cause a decline in average rental rates. See "—Risks Related to Doing Business in China—Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to us." Frequent changes in government policies may also create uncertainty that could discourage investment in real estate. Our business may be materially and adversely affected as a result of decreased demand of rental apartments that may result from government policies.

Our expansion into new markets may present increased risk.

We plan to expand in our existing cities and enter new cities which we believe have strong growth potential, for example, cities with strong economic growth, net inflow of people, ambitious urban development plans and favorable policies supporting the development of the branded long-term apartment rental market. To the extent our predictions or judgment on the market growth turn out to be inaccurate, we may not have sufficient supply or demand in the market to support our growth or achieve profitability. If we cannot maintain or increase occupancy levels and rental rates in our target markets to keep pace with rising costs of rents, renovation and operations, our business, results of operations, and financial condition may be adversely affected. See "—Our business is susceptible to China's macro-economic conditions, particularly the long-term apartment rental market and government measures aimed at China's real estate industry and apartment rental industry."

We followed a disciplined and systematic process to expand our apartment network, involving comprehensive market research, site visit and other preparation work. In addition, as we expand into new geographic areas, it takes time to ramp up the occupancy rate to our target level. For example, it took us eight months to ramp up the month-end occupancy rate in Hangzhou to above 90%. During the ramp up period, we may continue to incur upfront renovation costs and other operating costs and expenses without generating corresponding net revenues. For example, in FY 2018, we substantially expanded our apartment network in multiple cities, including Hangzhou, Wuhan and Nanjing, and incurred substantial upfront expenses in connection with our market research, preparation, and testing of our business models in these cities, and our selling and marketing expenses, general and administrative expenses, and pre-operation expenses as a percentage of our net revenues increased significantly from FY 2017 to FY 2018 primarily as a result thereof.

In addition, we may not be able to replicate our success in existing cities to new cities we target in a timely manner or at all, as they may have different regulatory and competitive landscape. This may adversely affect our results of operations and growth prospects.

We face significant competition in the apartment rental market.

China's long-term apartment rental market is highly competitive. With the influx of new entrants and the expansion of current participants, we expect competition to continue and intensify, which could harm our ability to increase revenue and attain or sustain profitability. Our competitors include other branded apartment operators and apartment owners who directly rent their apartments to tenants. In addition, in response to increased cooling measures on housing sales, real estate developers may also pivot into standardized rental market. We believe the principal competitive factors in this industry include:

- ability to source suitable and sufficient apartments across multiple regions with favorable terms including contract length, rental-free period, rent-in costs, etc.;
- ability to use big data analytics to establish competitive lease terms with both landlords and tenants;
- ability to establish sustainable unit economic model;
- ability to renovate and operate rental apartments in an efficient and cost-effective manner;
- ability to achieve high standardization and manage a complex supply network;
- ability to achieve high standardization and manage a complex supply network;

- ability to maintain financial flexibility;
- geographic coverage and customer reach;
- ability to set up IT and internet infrastructure; and
- brand awareness and customer satisfaction, including the availability and range of value-added services to help foster a sense of community and loyalty among tenants.

We face competition for our sourcing of suitable apartments in our target markets. Our competitors may have better access to newer, better located apartments at lower cost. They may also have more rapid access to the information of available apartments, which helps them rent such apartments from owners before we receive such information. Moreover, our competitors may be more resourceful, have a lower cost of funds or better access to funding sources that may not be available to us. In addition, our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of rental apartments. Competition may result in fewer options of apartments available to us, higher rental rates to be paid by us, our acceptance of greater risk, lower yields and a narrower spread of yields over our financing costs. As a result, there can be no assurance that we will be able to identify suitable apartments that are consistent with our tenants' need, and our failure to accomplish the foregoing could have a material adverse effect on our business and results of operation.

We also face competition for our target tenants. Our competitors may successfully attract tenants with cheaper and more convenient rental units, better incentives, amenities and value-added services, which could adversely affect our ability to obtain quality tenants and lease out our rental apartments on favorable terms. In addition, our competitors may have better access to tenant information, which helps them identify and acquire quality tenants more quickly. Moreover, some competing housing options may qualify for government subsidies that may make such options more accessible and therefore more attractive than our rental apartments. This competition may affect our ability to attract and retain tenants and may reduce the rental rates we are able to charge.

Furthermore, as a result of the competition for suitable apartments and tenants, we may not be able to maintain the spread or margin between lease-in from landlords and lease-out to tenants, which may adversely affect our results of operations.

If we fail to compete effectively in the market, we would lose our market share, fail to gain additional market share, and our business, results of operation and growth prospectus may be materially and adversely affected.

New laws, regulations and policies may be promulgated to strengthen the regulation on the apartment rental industry which may adversely affect our business, results of operations, financial condition and growth prospects.

PRC laws, regulations and policies concerning the apartment rental industry are developing and evolving. Although we have been taking measures to comply with laws, regulations and policies that are applicable to our business operations, the PRC government authority may promulgate new laws and regulations regulating the apartment rental industry in the future. We cannot assure you that our practice would not be deemed to violate any new PRC laws, regulations or policies relating to the apartment rental industry.

In recent years, some tier 1 cities in China have adopted the restriction on group-oriented leasing. Group-oriented leasing refers to the practice of renting a single apartment to multiple tenants under separate leases, resulting in the over-crowding of such apartment. In particular, Beijing and Shanghai have expressly banned the lease of rental apartment providing living space of less than five square meters per capita. We typically convert the living room of our rental apartment to add an additional bedroom, which is known as N+1 model. While some local governments, including Shanghai, Beijing, Hangzhou, Suzhou, Wuhan and Nanjing, do not consider

N+1 model as group-oriented leasing, governmental authorities in other existing cities may implement restrictions that affect our N+1 model in the future. In addition, we cannot assure you whether any local governments may change its policies or interpret them in a manner that renders our N+1 model non-compliant. If we are deemed to violate local laws, regulations and policies, we may be subject to penalties and may need to adjust our business model, which may have a material and adverse effect on our business, results of operation, financial condition and growth prospects.

Moreover, the PRC government may institute a licensing regime covering our industry at some point in the future. For example, we cannot rule out the possibility that future laws or regulations will require us to register as real estate brokerage enterprise. Under the current PRC laws and regulations, enterprises operating real estate brokerage related business are required to register as real estate brokerage enterprise at local housing authorities. Pursuant to the Real Estate Brokerage Management Methods promulgated by MOHURD, only enterprises providing intermediary and agency services to the landlords in order to facilitate real estate transactions in return for commissions are deemed as a real estate brokerage enterprise, which is different from our business model, as advised by our PRC legal counsel, JunHe LLP. Therefore, we do not believe that our current business constitutes real estate brokerage under PRC laws and regulations and as a result our company shall not be subject to registration as a real estate brokerage enterprise. If any future laws and regulations deem our business as real estate brokerage or any other licensing regime is introduced, we cannot assure you that we would be able to complete any newly required registration or obtain any newly required license in a timely manner, or at all, which could materially and adversely affect our business and impede our ability to continue our operations.

In addition, under the current PRC legal regime, there is no laws or regulations specifically controlling the rents. The Administrative Measures for Commodity Housing Leasing, promulgated by the MOHURD on December 1, 2010, provides a principle rule that landlords shall not raise the rent unilaterally and randomly during the term of the lease agreements. In addition, on May 19, 2017, the MOHURD published the Measures on Management of Residential tenancy and Home Sales (Discussion Draft), or the Discussion Draft, for public discussion, which was closed on June 19, 2017. As of the date of this prospectus, the MOHURD had not promulgated or published any regulations, rules, notices or circulars in relation to the rents of house leasing. The Discussion Draft stipulates that landlords must not unilaterally raise rent if they have not reached a consensus with the tenant on the frequency and range of rent adjustments in the lease agreement. This Discussion Draft also stipulates that the local governments shall establish a system to publicize information on rents in the local markets. The Discussion Draft also stipulates that landlords shall not evict the tenants through violence, threats or other coercive measures. Although the final provisions, interpretation, adoption timeline and effective date of the Discussion Draft remain substantially uncertain, our business practices may be subject to stricter governmental supervision in the future, which may adversely affect our business, results of operations, financial condition and growth prospects.

Our business growth depends on our ability to attract and retain tenants. If we are not able to attract or retain sufficient tenants in a timely manner and at a low cost, our business, financial condition and results of operation may be materially and adversely affected.

We depend on rental income from tenants for substantially all of our revenues. As a result, our success depends upon our ability to attract quality tenants for our rental apartments in a timely manner and at a low cost. We may not be successful in locating quality tenants to lease the rental apartments as quickly as we have expected or at all due to competition, market condition, delay in renovation or other factors. If vacancies continue for a longer period of time than we expect or indefinitely, we may suffer reduced revenues, which may have a material adverse effect on us.

In August 2018, we started to cooperate with a rental service company owned by a bank to finance apartment renovation, and we have implemented such model in Shanghai and Hangzhou. Pursuant to our agreement with the rental service company and the bank, we are required to place a security deposit in the amount of three times of the total monthly rents with the bank, which will be doubled if our occupancy rate falls

below 75% or 85% in Shanghai or Hangzhou, respectively. If we cannot attract or retain sufficient tenant to maintain or achieve these occupancy rates, our business, financial condition and results of operation may be adversely affected.

Our results of operation, financial condition, and reputation would be adversely affected if a significant number of our tenants fail to meet their obligations in connection with the lease.

Our results of operation, financial condition, and reputation would be adversely affected if a significant number of our tenants fail to meet their obligations in connection with the lease. For instance, tenants may default on rental payments or repayment of rental installment loans. If a tenant defaults on his/her payment obligations after the applicable grace period, we may terminate the lease and re-possess the apartment pursuant to the lease agreement and the PRC laws, and lease the apartment to a new tenant. However, we may not be able to find a new tenant in a timely manner or at all, and the security deposit of the defaulting tenant may not be sufficient to cover our lost rentals for the period in between the leases.

In addition, tenants may use our rental apartments for illegal purposes, damage or make unauthorized structural changes to our rental apartments, refuse to leave the apartment upon termination of the lease, engage in domestic violence or similar disturbances, disturb nearby residents with noise, trash, odors or eyesores, sublet our apartments in violation of our lease or permit unauthorized persons to live in our rental apartments. Damage to our rental apartments may delay re-leasing, necessitate expensive repairs or impair the rental income of the rental apartment resulting in a lower than expected rate of return.

We may not be able to successfully identify, secure and develop in a timely fashion additional apartments.

We plan to operate more rental apartments to further grow our business. We select locations which we believe would provide tenants with convenient access to core districts, major business development zones, and commercial centers, as well as affordability. However, we may not be successful in identifying and leasing additional apartments at the locations as desirable as we anticipated, for example, due to delays in the completion of infrastructure or other facilities surrounding such location, such as subway stations and business centers, and on commercially reasonable terms or at all. We may also incur costs in connection with evaluating apartments and negotiating with their owners, including apartments that we are subsequently unable to lease. We may also lease furnished apartments that we expect to be in good condition from landlords only to discover unforeseen defects and problems afterwards that prevent us from leasing them out to our tenants in a timely manner, or at all. In addition, we may not be able to develop additional rental apartments on a timely basis due to renovation delays. If we fail to successfully identify, secure or develop in a timely fashion additional apartments, our ability to execute our growth strategy could be impaired and our business and prospects may be materially and adversely affected.

We may not be able to renew our existing leases with landlords on commercially reasonable terms and the rents we pay to landlords could increase substantially in the future, which could materially and adversely affect our operations.

We plan to renew our existing leases with landlords upon expiration. We cannot assure you, however, that we will be able to renew our leases with landlords on satisfactory terms, or at all. In particular, as the lease-in contract lock-in period of 11.8% of our lease-in contracts as of June 30, 2019 would expire by the end of FY 2020 and rents may be re-negotiated, we may incur significant increases in rents. If we fail to renew our leases with landlords or a significant number of our existing leases with landlords are not renewed on satisfactory terms upon expiration, our expansion may be impeded and our costs may increase. If we are unable to pass the increased costs on to our tenants through rental rate increases, our operating margins and earnings could decrease and our results of operations could be materially and adversely affected.

Early termination of the leases or breach of leasing agreements by landlords may materially and adversely affect our operations.

Our leases with landlords typically provide for a minimum term of five to six years, or lease-in contract lock-in period, which shall be extended for up to two to three years at the discretion of landlords, with locked-in rents for the first three years, with approximately 5% annual, non-compounding increase in rents for the rest of the lease period. Landlords may terminate the leasing agreements before the end of their term for various reasons. Historically, less than 1% of our landlords terminated the leases during the lease term. If the lease with a landlord is terminated before expiration or breached the leasing agreements, making the apartments no longer available, we would have to terminate our lease agreements with our tenants who resided in such apartments and return the residue of pre-paid rents to such tenants or financial institutions in the scenario of rental installment loans. Alternatively, we would facilitate tenants to relocate to another apartments of ours and subsidize their relocation-related expenses. In either way, we may incur additional costs and expenses. In addition, although our lease agreements generally provide that landlords shall pay a penalty equal to the rents of the remaining period for early termination, the penalty may be lowered if the court deems the penalty prescribed under our lease agreements to be unfair, i.e., 30% higher than the actual losses we incurred. There can be no assurance that we are able to receive fair compensation for our losses, and our business, results of operations and financial condition could be materially and adversely affected by landlords' early terminations.

Our estimation of potential rents involves a number of assumptions that may prove inaccurate, which could result in us paying too much rents for apartments we lease in or overestimating the rents to be paid by our tenants.

In determining whether a particular apartment meets our criteria, we make a number of assumptions, including, among other things, assumptions related to estimated time of negotiation with landlord, estimated renovation costs and time frames, annual operating costs, market rental rates, potential rent amounts, time from lease to sublease and tenant default rates. These assumptions may prove inaccurate, particularly since the apartments we rent from landlords vary materially in terms of renovation, quality and type of construction, geographic location. For example, we utilize our proprietary smart pricing system, or the Smart Pricing System, to collect and analyze the average market rental rates of apartments similar to our rental apartments in the surrounding area and gauge the potential rent amounts of our rental apartments, which partially relies on the publicly available information from the internet and may be inaccurate. See "—We are highly dependent on information systems, and if our information systems contain undetected errors and ineffective algorithm, or we fail to properly maintain or promptly upgrade our technology, our results of operations and financial condition may be materially and adversely affected." As a result, we may pay too much for apartments we lease in and/or overestimate the rents we may charge our tenants, or our rental apartments may fail to perform as anticipated. See "—We may not be able to successfully identify, secure and develop in a timely fashion additional apartments."

We assess the financial impact of our underperformed apartments that do not meet the projected operating targets by recognizing impairment loss. We perform an assessment of the carrying value of leasehold improvements and furniture, fixtures and equipment used in each rental apartment at least on a quarterly basis. If the carrying amount of the assets exceeds its expected undiscounted cash flows, we will recognize an impairment loss equal to the difference between the carrying amount and the fair value. In FY 2017, FY 2018 and the nine months ended June 30, 2019, we incurred impairment loss of RMB22.8 million, RMB50.6 million (US$7.4 million) and RMB33.4 million (US$4.9 million), respectively. If a larger number of our apartments underperform, our impairment loss would increase, and our results of operations and financial condition would be materially and adversely affected.

Our legal right to lease certain rental apartments could be challenged by apartment owners or other third parties or subject to government regulation, which may adversely affect our business, results of operations, financial condition and growth prospects.

As we lease our rental apartments from the landlords, we do not hold any land use rights with respect to the land on which our rental apartments are located nor do we own any of the rental apartments we sublease to tenants. Instead, our business model relies on leases with third parties who either own or lease the apartments from the ultimate owners. We have not been provided with the ownership certificates of approximately 53% of our rental apartments due to various reasons, including but not limited to, landlords' inability to obtain ownership certificates when the lease agreements were concluded, in which case we would require the landlords to provide us with other supporting documents to prove their legitimate titles to the apartments in question. For example, a substantial number of our leased-in apartments are real property which is settlement of and compensation for housing demolition. In China, an owner of such real property cannot apply for and acquire the ownership certificate until the lock-up period for sale of such real property (typically five years) expires, although he or she has the right to possess, use, benefit from and dispose of (other than sale) such real property during the lock-up period. On the other hand, PRC laws expressly provide that the ownership certificate of a real property shall be the legal proof of the title to such real property, and it remains unclear whether any other documents can serve as a legal proof in lieu thereof. As a result, to the extent the person with whom we enter into a lease-in contract with fails to provide us with the ownership certificate of the rental apartment, we cannot ensure that he or she has the rights with respect to such apartment, including but not limited to leasing such apartment to us and allowing us to lease such apartment to our tenants. While we have performed our due diligence to verify the rights of our landlords to lease such apartments, we cannot assure you that our rights under those leases will not be challenged by other parties including government authorities.

Under the PRC Property Law, only the owner can have the right, at its full discretion, to possess, use, benefit and dispose of its immovable or movable property pursuant to law. The creation, variation, transfer and extinguishment of immovable real right pursuant to law shall be effective upon registration, unless the law provides the contrary. Accordingly, the local registration authority will issue to the real property owner a property title certificate which clearly indicates the ownership of the property. If the lessee intends to sublease the leased property to a third party, it shall obtain the prior consent regarding such sublease from the owner, otherwise any unauthorized sublease may be unwound by the owner. Therefore, we require the landlords to provide the photocopies of their property title certificates when entering into the lease agreement, to ensure that we will be legitimately entitled to rent out the apartment to our tenants. However, the landlords of the properties offered by the governments to the landlords whose original properties are expropriated or demolished due to public interests, which account for a large portion of our rental apartments, may have not obtained the property title certificates in a timely manner due to certain local regulations and practices. In the event that landlords intend to lease their apartments to us before obtaining the property title certificates, as part of our due diligence for verification, we require the landlord to provide evidencing documents that can prove their ownership over the leased properties, including, among other things, (i) housing pre-sale contract, housing purchase agreement and housing purchase invoice, (ii) demolition compensation agreement and demolition settlement agreement, or (iii) the confirmation letter of random draw for demolition settlement properties, confirmation of housing selection, invoice of property management and utilities bills. However, these substitutive documents do not have the same legal force as the property title certificates, and thus it is possible that the party who signs the lease agreement is not the legal and beneficiary owner registered in the title certificate and the lease agreement may be invalidated, which may adversely affect our business, results of operations, financial condition and growth prospects.

In addition, a fraction of our apartments have defects on the land use rights. Under the PRC legal regime regarding the land use right, land shall be used strictly in line with the approved usage of the land. Any change as contemplated to the usages of land shall go through relevant land alteration registration procedures. If any state-owned land is illegally used beyond the approved usage, the land administrative departments of the PRC governments at and above the county level may retrieve the land and impose a fine ranging from RMB10 to

RMB30 per square meters of such land. As for our daily operation, in the vicinity of 2.2% of our apartments, which we leased from several enterprises, are currently premised on the land with an industrial usage or on the rural collective-owned land, not on the land with a construction usage for dwelling house, which has been in contravention of the aforesaid legal requirements and may subject the landlords to the legal implications that the land is retrieved by the PRC government and a fine will be imposed on the landlord. Although we are not the direct subject of such administrative sanction, our business and operation may be adversely affected by such retrieval of land thus incurred.

In several instances where our landlords are not the ultimate owners of apartments, no consents or permits were obtained from the owners, the primary lease holders or competent government authorities, as applicable, for the subleases of the apartments to us, which could potentially invalidate our leases or result in the renegotiation of such leases that leads to terms less favorable to us. Some of the apartments we lease from third parties were also subject to mortgages at the time the leases were signed. Where consent to the lease was not obtained from the mortgage holder in such circumstances, the lease may not be binding on the transferee of the apartment if the mortgage holder forecloses on the mortgage and transfers the apartment.

Moreover, under PRC laws, all lease agreements are required to be registered with the local housing bureau. Although failure to do so does not in itself invalidate the leases, lessees may not be able to defend these leases against bona fide third parties and may also be exposed to potential fines if they fail to rectify such non-compliance within the prescribed timeframe after receiving a notice from the relevant PRC government authorities. While the majority of our standard lease agreements require our landlords to make such registration, most of our leases have not been registered, which may expose both our landlords and us to potential monetary fines ranging from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority. We are in the process of registering more lease agreements. In the event that any fine is imposed on us for our failure to register our lease agreements, we may not be able to recover such losses from the contract counterparties. Some of our rights under the unregistered leases may also be subordinated to the rights of other interested third parties.

Any challenge to our legal rights to the apartments we rented to the tenants, if successful, could impair the development or operations of such apartments. We are also subject to the risk of potential disputes with apartment owners or third parties who otherwise have rights to or interests in our rental apartments. Such disputes, whether resolved in our favor or not, may divert management’s attention, harm our reputation or otherwise disrupt our business.

We may not be able to effectively control the timing, quality and costs relating to the renovation and maintenance of apartments, which may adversely affect our business, results of operations, financial condition, and growth prospects.

Our success depends on our ability to lease apartments that can be quickly renovated, repaired and leased out with minimal expense and maintained in quality condition. Nearly all of our rental apartments require some level of renovation when we rent them from landlords or following departure of a previous tenant or otherwise. The majority of the apartments we source are in bare-bones condition with cement walls and floors and utility pipes only, which needs decoration and furnishing in a short period of time with heavy work. We may also source apartments that we expect to be in good condition only to discover unforeseen defects and problems that require extensive renovation and costs. Since February 2019, we have started to source decorated and furnished apartments from landlords. Under this model, depending on the decoration quality, we generally only need to add a wall to separate out an additional bedroom from the living room, furnish the additional bedroom, and install smart door locks to the apartment and each bedroom therein, thus substantially reducing our cost for renovation, compared to sourcing bare-bones apartments. Rental cost for furnished apartments, on the other hand, tend to be higher than bare-bones apartments. In addition, from time to time, we may perform ongoing maintenance to our rental apartments. Although we have developed a technology-driven, innovative project management system to centrally manage suppliers and contractors, monitor the renovation process, track delivery schedules, and exert

quality control throughout out the entire apartment renovation process to control the timing, quality and costs, our system may not work effectively. See "—We are highly dependent on information systems, and if our information systems contain undetected errors and ineffective algorithm, or we fail to properly maintain or promptly upgrade our technology, our results of operations and financial condition may be materially and adversely affected." As a result, our ability to adequately monitor or manage any such renovations or maintenance may be adversely affected if our system does not work properly.

We retain independent contractors and other third parties to perform renovation and maintenance work and are exposed to all of the risks inherent in apartment renovation and maintenance, including but not limited to, potential cost overruns, increases in labor and materials costs, delays by contractors in completing work and poor workmanship. If our assumptions regarding the costs or timing of renovation and maintenance across our rental apartments prove to be materially inaccurate, our results of operations, financial condition, and growth prospects may be adversely affected. In addition, if we failed to control the quality of renovation and lead to any potential complaints from, or damages to, tenants, we could be exposed to material liability and be held responsible for damages, fines or penalties and our reputation may suffer. See "—We depend on third parties for different aspects of our business and the services that we offer. Our business, results of operation, financial condition and reputation may be materially and adversely affected if the third parties do not continue to maintain or expand their relationship with us, or fail to provide services or products according to the terms of our contracts or otherwise below standard, or by the third parties operational failure." and "—Environmental and fire hazards may adversely affect us."

Accidents, injuries or death in our rental apartments may adversely affect our reputation and subject us to liability.

There are inherent risks of accidents or injuries in our rental apartments. One or more accidents or injuries such as fire accident, damage or loss of properties injury or death due to any criminal behavior or other misconducts or acts or omission of our tenants or others, slip and fall, other accidents or suicide in any of our rental apartments could adversely affect our reputation among tenants and potential tenants, decrease our overall occupancy rates and increase our costs by requiring us to take additional measures to vet our tenants and make our safety precautions even more visible and effective. If accidents, injuries or death occur at any of our rental apartments, we may be held liable for costs related to the injuries. Please also refer to "—We do not maintain any insurance for our business, which could expose us to significant costs and business disruption."

In addition, if any incidents, particularly fire accidents, occur in any of our rental apartments that do not possess the relevant licenses, permits, title certificate or fire safety inspection certificate, or is located on properties where the actual use and the designated land or property use are inconsistent, there could be substantial negative publicity, thereby triggering large-scale government actions that impact all of our rental apartments, which in turn will have a material adverse impact on our business, results of operations and financial condition.

Environmental and fire hazards may adversely affect us.

Compliance with new or more stringent environmental laws or regulations or stricter interpretation of existing laws may require material expenditures by us. We may be subject to environmental laws or regulations or technical standards relating to the renovation of our rental apartments, such as those concerning poisonous volatile organic compounds or other issues. For example, under the relevant PRC laws, regulations and technical standards, we shall ensure that our rental apartments meet certain environmental standards, including the air quality and environmental protection standards for preventing the indoor environmental hazards generated by construction materials and decorative building materials. We may be subject to civil liabilities or administrative fines for our failure in compliance with all the environmental laws or regulations or technical standards relating to renovation of our rental apartments. Under the PRC laws, if the leased apartment imposes a threat to the safety or health of the tenant, then once the tenant is fully aware that the apartment is not of a satisfactory quality, the

tenant is entitled to dissolve the lease agreement at any time. Therefore, we take measures to avoid environmental and fire hazards, including air quality monitoring after renovation and fire precaution measures. However, we cannot assure you that future laws, ordinances or regulations will not impose any material environmental or fire safety liability or that the current environmental condition of our rental apartments will not be affected by the activities of residents, existing conditions of the land, operations in the vicinity of the apartments or the activities of unrelated third parties. In addition, we may be required to comply with various fire, health, life-safety and similar laws and regulations. Failure to comply with applicable laws and regulations could result in fines and/or damages, suspension of the construction project, civil liability or other sanctions.

We depend on third parties for different aspects of our business and the services that we offer. Our business, results of operation, financial condition and reputation may be materially and adversely affected if the third parties do not continue to maintain or expand their relationship with us, or fail to provide services or products according to the terms of our contracts or otherwise below standard, or by the third parties operational failure.

We depend on third parties for different aspects of our business, including apartment sourcing, renovation, leasing out, management and maintenance. In addition, we rely on third parties for the provision of value-added services to our tenants. Selecting, managing and supervising these third party service providers requires significant resources and expertise. Poor performance by such third party service providers or misconduct or fraud on the part of their employees may reflect poorly on us and could significantly damage our reputation among desirable tenants. In the event of fraud or misconduct by a third party, we could also be exposed to material liability and be held responsible for damages, fines or penalties and our reputation may suffer. If we do not select, manage and supervise appropriate third parties to provide these services and products, our reputation and financial results may suffer.

The service or cooperative agreements we have with third party vendors, service providers or strategic partners are subject to a term, and not on an exclusive basis. If the third party service providers or strategic partners do not continue to maintain or expand their relationship with us, we would be required to seek new service providers or partners, which would cause delays and adversely affect our operations and the range and quality of the products and services that we offer. Moreover, our strategic partner may compete with us or enter into strategic cooperation with our competitors, which may materially and adversely affect our business and competitive position.

For example, we engage outside contractors for apartment sourcing and management functions. As of June 30, 2019, we had 929 apartment managers and 100 agents for apartment sourcing, of whom 692 and 88 were from our outside contractors, respectively. Although the apartment managers and agents for apartment sourcing are supervised by our regional supervisors who are our own employees at more senior positions, we cannot assure you that those from outside contractors will provide services that meet our requirements. Besides, the outside contractors may not continue to maintain or expand their relationship with us, and we may not be able to acquire additional apartment managers or agents for apartment sourcing on a timely manner or at all. These may materially and adversely affect our business, financial condition and results of operation.

Moreover, we engage third-party contractors and suppliers for our rental apartments' renovation. If these contractors or suppliers fail to finish the renovation on schedule or below standard, we may incur additional costs and delay to make our apartment suitable for leasing, and may not be able to rent out the apartments in a timely manner and with favorable terms, or at all. Below quality renovation may also expose us to potential complaints from tenants on the conditions of the apartments, including safety hazards as well as significant maintenance and repair costs. In addition, although it is our third-party contractors and suppliers' responsibility for the salaries of their employees, we may become a target towards which such employees demand their unpaid salaries if our third-party contractors and suppliers withhold or unreasonably deduct their salaries. Pursuant to the PRC Property Laws, where a debtor defaults on its debt obligations, the creditor shall be entitled to retain the already lawfully possessed movable property of the debtor, and have a priority over the movable property in satisfaction of its claim. Despite the fact that the decoration material are legally owned by us, not the third-party contractors

or suppliers, we cannot eliminate the possibility that the unpaid employees may retain the decoration materials as a relief they think reasonable. As a result, we request our third-party contractors and suppliers to provide the evidence of payment once the salaries of their employees who have been involved in renovation and maintenance of our rental apartments are paid. However, we cannot assure you that we will not be sued or investigated for our third-party contractors or suppliers' unpaid salaries, or requested by the local governments to compensate such unpaid employees which may materially and adversely affect our reputation, financial condition and results of operation.

Furthermore, we cooperate with third parties for home cleaning, broadband internet access and other products and services to our tenants. Our customer satisfaction may be adversely affected as a result of any disruption or termination of services of our service provider or partners. In addition, our service providers frequently interact with our tenants. Notwithstanding our efforts to implement and enforce strong policies and practices regarding service providers, we may not successfully detect and prevent fraud, misconduct, incompetence, of our service providers including their employees or stability of their services, which may adversely affect our business and reputation.

A significant portion of our costs and expenses are fixed and we may not be able to optimize our cost structure to offset declines in our revenue, which would adversely affect our financial condition and results of operations.

A significant portion of our operating costs and expenses, including but not limited to, overhead costs associated with the hiring of agents for apartment sourcing and apartment managers for apartment leasing out and management, employee base salaries, and rents we pay to our landlords, is fixed. Accordingly, a decrease in revenues could result in a disproportionately higher decrease in our earnings because our operating costs and expenses are unlikely to decrease proportionately. For example, the Chinese New Year holidays generally account for a lower portion of our annual revenues than other periods as people are less likely to move into new apartments or stay in rented apartments during that period, but our expenses do not vary as significantly with changes in occupancy and revenues as we need to continue to pay rents and salary and make regular repairs, maintenance and renovations throughout the year to maintain the attractiveness of our rental apartments. Furthermore, our apartment development and renovation costs may increase as a result of an increase in the cost of materials. However, we have limited ability to pass increased costs to tenants through rental rate increases as our rental in lease with our tenants are fixed during the lease term. Therefore, our costs and expenses may remain constant or increase even if our revenues decline, which would adversely affect our net margins and results of operations.

Our outstanding and future indebtedness and capital lease and other financing arrangement payable may adversely affect our available cash flow and our ability to operate our business. In addition, we may not be able to obtain additional capital when desired, on favorable terms or at all.

As of June 30, 2019, we had RMB303.7 million (US$44.2 million) bank borrowings, RMB872.6 million (US$127.1 million) rental installment loans from certain financial institutions and RMB403.5 million (US$58.8 million) capital lease and other financing arrangement payable. In August 2018, we started to cooperate with a rental service company owned by a bank to source and renovate apartments in Shanghai and Hangzhou, and we account for the arrangement as a capital lease and other financing arrangement. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources." Recent interest rates in China have been at historically low levels, and any increase in these rates would increase our interest expense and reduce our funds available for renovation, operations and other purposes. Our current level of indebtedness increases the possibility that we may be unable to pay the principal amount of our indebtedness and other obligations when due. Our outstanding and future loans, combined with our other financial obligations and contractual commitments, could have negative consequences on our business and financial condition.

We believe that our cash, cash equivalents and restricted cash on hand will be sufficient to meet our current and anticipated needs for general corporate purposes for at least the next 12 months. However, we need to make continued investment for our expansion and in facilities, hardware, software, technological systems and to retain talents to remain competitive. Due to the unpredictable nature of the capital markets and our industry, such as tenants' unwillingness to prepay rental or utilize the rental installment loans, there can be no assurance that we will be able to raise additional capital on terms favorable to us, or at all, if and when required, especially if we experience disappointing operating results. If adequate capital is not available to us as required, our ability to fund our operations, take advantage of unanticipated opportunities, develop or enhance our infrastructure or respond to competitive pressures could be significantly limited. If we raise additional funds or otherwise fund our operation or investment through the issuance of equity or convertible debt securities, the ownership interests of our shareholders could be significantly diluted. These newly issued securities may have rights, preferences or privileges senior to those of existing shareholders.

If we fail to maintain an effective system of internal controls over financial reporting, we may not be able to accurately report our financial results or prevent fraud.

Prior to this offering, we had been a private company with limited accounting personnel and other resources with which to address our internal controls and procedures. In the course of auditing our consolidated financial statements included in this prospectus, we and our independent registered public accounting firm identified two material weaknesses in our internal control over financial reporting. As defined in the standards established by the U.S. Public Company Accounting Oversight Board, a "material weakness" is a deficiency or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

The material weaknesses identified relates to (i) lack of sufficient accounting and financial reporting personnel with appropriate knowledge of U.S. GAAP and SEC reporting requirements to (a) formalize and carry out key controls over financial reporting, (b) properly address complex accounting issues and (c) prepare and review consolidated financial statements and related disclosures in accordance with U.S. GAAP and SEC reporting requirements, and lack of a comprehensive accounting policy manual and closing procedure manual for its finance department to convert its primary financial information prepared under accounting principles generally accepted in the PRC into U.S. GAAP; and (ii) absence of audit committee and internal audit function to establish formal risk assessment process and internal control framework. We are in the process of implementing a number of measures to address the material weaknesses that have been identified, including hiring additional accounting staff with appropriate understanding of U.S. GAAP and SEC reporting requirements, training the existing financial reporting personnel and engaging an independent third party consultant to assist in establishing processes and oversight measures to comply with the requirements of Sarbanes Oxley Act. We also plan to take other steps to strengthen our internal control over financial reporting, including formalizing a set of comprehensive U.S. GAAP accounting manuals, establishing an audit committee, establishing an internal audit function independently led by audit committee, providing relevant training to our accounting personnel and upgrading our financial reporting system to streamline monthly and year-end closings and integrate financial and operating reporting systems. Although we plan to implement measures to address the material weaknesses, implementation of those measures may not fully remediate the material weaknesses in a timely manner.

Upon completion of this offering, we will become a public company in the United States subject to the Sarbanes-Oxley Act of 2002. Section 404 of the Sarbanes-Oxley Act of 2002 will require that we include a report of management on our internal control over financial reporting in our annual report on Form 20-F beginning with our annual report for the second fiscal year after the completion of the IPO. In addition, once we cease to be an "emerging growth company" as such term is defined under the JOBS Act, our independent registered public accounting firm must attest to and report on the effectiveness of our internal control over financial reporting. Our management may conclude that our internal control over financial reporting is not effective. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm, after conducting its own independent testing, may issue a report that is

qualified if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us. In addition, after we become a public company, our reporting obligations may place a significant strain on our management, operational and financial resources and systems for the foreseeable future. We may be unable to timely complete our evaluation testing and any required remediation.

During the course of documenting and testing our internal control procedures, in order to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, we may identify other weaknesses and deficiencies in our internal control over financial reporting. In addition, if we fail to maintain the adequacy of our internal control over financial reporting, as these standards are modified, supplemented or amended from time to time, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. Generally, if we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations, and lead to a decline in the trading price of the ADSs. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations and civil or criminal sanctions.

We are highly dependent on information systems, and if our information systems contain undetected errors and ineffective algorithm, or we fail to properly maintain or promptly upgrade our technology, our results of operations and financial condition may be materially and adversely affected.

Our business relies heavily on our technology-driven, end-to-end systems that are highly technical and complex. Our website, mobile app and internal systems highly depend on the ability of such information systems to store, retrieve, process and manage immense amounts of data throughout each step of our operational process, including but not limited to, apartment sourcing, price evaluation, room decoration, room display, contract signing and tenant services. For example, tenants need to use our proprietary mobile apps to sign agreements with us, pay rents, open the doors of the rental apartments and their bedrooms, reserve house-keeping services, etc. We also utilize our Smart Pricing System to evaluate the rents of our apartments. The information systems on which we rely has contained, and may now or in the future contain, undetected errors or bugs. Errors, ineffective algorithm or other design defects within the information systems on which we rely may result in a negative experience for our tenants, landlords, third-party service providers and our employees, delay introductions of new features or enhancements, result in errors or compromise our ability to protect user data or our intellectual property. Any errors, bugs or defects discovered in our information systems on which we rely could result in harm to our reputation, loss of tenants or landlords or liability for damages, any of which could adversely affect our business, results of operations and financial condition.

Security breaches, failure to maintain the integrity of internal or third-party data and other disruptions could compromise our information systems and expose us to costs, liabilities, fines or lawsuits, which would cause our business and reputation to suffer. In addition, actual or alleged failure to comply with data privacy and protection laws and regulations could have a serious adverse effect on our reputation.

Information security risks have generally increased in recent years due to the rise in new technologies and the increased sophistication and activities of perpetrators of cyberattacks. In the ordinary course of our business we acquire and store sensitive data, including our intellectual properties, our proprietary business information and personally identifiable information, such as names, identification card numbers, contacts and electronic signatures, of landlords, tenants, employees and third party contractors and service providers. The secure processing and maintenance of such information is critical to our operations and business strategy. Our landlords, tenants, employees and third party contractors and service providers expect that we will adequately protect their personal information. We are required by applicable laws to keep strictly confidential the personal information

that we collect and to take adequate security measures to safeguard such information. Despite our security measures, our information technology and infrastructure may be vulnerable to attacks by computer hackers, foreign governments or cyber terrorists or breached due to employee error, malfeasance or other unauthorized access or disruptions. Any such breach could compromise our networks and the information stored therein could be accessed, publicly disclosed, misused, lost or stolen. Because the techniques used by computer programmers who may attempt to penetrate and sabotage our proprietary internal and third-party data change frequently and may not be recognized until launched against a target, we may be unable to anticipate these techniques. The laws and regulations applicable to security and privacy are becoming increasingly important in China. Any unauthorized access, disclosure, misuse or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disruption to our operations and the services we provide to customers or damage our reputation, any of which could adversely affect our results of operations, reputation and competitive position.

We leverage a wide array of internet technologies to achieve management and operation efficiency and effectiveness, which depend upon the performance and reliability of the internet infrastructure and telecommunications networks in China.

Our business depends on the performance and reliability of the internet infrastructure in China. Substantially all access to the internet is maintained through state-controlled telecommunication operators under the administrative control and regulatory supervision of the Ministry of Industry and Information Technology, or the MIIT. In addition, the national networks in China are connected to the internet through international gateways controlled by the PRC government. These international gateways are generally the only websites through which a domestic user can connect to the internet. We cannot assure you that a more sophisticated internet infrastructure will be developed in China. We may not have access to alternative networks in the event of disruptions, failures or other problems with China's internet infrastructure. In addition, the internet infrastructure in China may not support the demands associated with continued growth in internet usage.

We also rely on third party providers to provide us with data communications capacity primarily through local telecommunications lines and internet data centers to host our servers. We do not have access to alternative services in the event of disruptions, failures or other problems with the fixed telecommunications networks of the third-party providers, or if the third-party providers otherwise fail to provide such services. Any unscheduled service interruption could disrupt our operations, damage our reputation and result in a decrease in our revenues. Furthermore, we have no control over the costs of the services provided by third party providers. If the prices that we pay for telecommunications and internet services rise significantly, our gross margins could be significantly reduced. In addition, if internet access fees or other charges to internet users increase, our user traffic may decrease, which in turn may cause our revenues to decline.

We depend significantly on the strength of our brand and reputation. If we, our employees, agents, third-party contractors, suppliers, financial institutions or other third parties that we cooperate with engage, or are perceived to engage, in misconduct, fraudulent acts or wrongdoing, our business or reputation could be harmed and we could be exposed to regulatory investigations, costs and liabilities.

We believe our "Qingke" brand is considered a leading player in the professionally-managed long-term apartment rental market in China. Our continued success in maintaining and enhancing our brand and image depends to a large extent on our ability to satisfy the needs of agents, real estate buyers and other market participants by further developing and maintaining quality of services across our operations, as well as our ability to respond to competitive pressures.

We have a team of agents for apartment sourcing and apartment managers to manage our apartments and tenants. Our agents for apartment sourcing directly reach to landlords, including but not limited to, negotiating the lease agreements with landlords, and our apartment managers directly reach out to tenants, including but not limited to, negotiating the lease agreements with tenants, regular communication with our tenants and inspecting

the apartments. As a result, our success of business largely rely on their professionalism. If our agents for apartment sourcing and apartment managers have any misconduct, such as misrepresentation of the terms and conditions in the agreements when engaging landlords or tenants, our business or reputation could be harmed and we could be exposed to legal proceedings, costs and liabilities.

In addition, third parties that we cooperate with may be subject of various allegations. For example, there have been media reports where our tenant alleged that we and our financial institution partner failed to properly inform him when he entered into a rental installment loan agreement, even though we are not a party to the rental installment loan agreement and there are records showing that the tenant entered into the rental installment loan agreement knowingly. Although we and our financial institution partners have taken measures to avoid similar allegations, including requiring tenants to confirm that they fully understand they are entering into the rental installment loan agreement with a financial institution, we cannot assure you that incidences like this will not happen in future. Media reports of allegations against us or our partners, whether or not proven or with basis, could harm our reputation and impair our ability to attract and retain landlords and tenants. If we are unable to maintain a good reputation, further enhance our brand recognition, continue to cultivate user trust and increase the positive awareness of our website, mobile app and WeChat public accounts, our reputation, brand, financial condition and results of operations may be materially and adversely affected.

Any negative publicity with respect to us, our employees, business partners, contractors, the apartment rental industry in general, the rental installment loans, or our cooperation with other parties may materially and adversely affect our business and results of operations.

The reputation of our brand is critical to our business and competitiveness. Factors that are vital to our reputation include, but are not limited to, our ability to:

- maintain the reliability of our system;
- provide well maintained apartments to tenants;
- provide appropriate and explicit terms, including rental, to landlords and tenants;
- effectively manage and resolve tenants and landlords complaints; and
- effectively protect personal information and privacy of our tenants, landlords, employees and third party contractors and service providers.

Any malicious or negative allegation made by the media, tenants, landlords or other parties about the foregoing or other aspects of our company, including but not limited to, our management, employees, business partners, contractors, business, compliance with law, financial condition and prospects, whether with merit or not, could severely compromise our reputation and harm our business and operating results.

In addition, negative publicity about rental installment loans, such as negative publicity about entering into rental installment loan agreements without tenants' acknowledgement, could harm our reputation and materially and adversely affect our business and results of operations.

We may from time to time be subject to claims, controversies, lawsuits and other legal and administrative proceedings, which could have a material adverse effect on our business, results of operations, financial condition and reputation.

We are currently not party to any material legal or administrative proceedings. However, in light of the nature of our business, we are susceptible to potential claims or controversies. We have been, and may from time to time in the future be, subject to or involved in various claims, controversies, lawsuits and other legal and administrative proceedings. Lawsuits and litigations may cause us to incur defense costs, utilize a significant portion of our resources and divert management's attention from our day-to-day operations, any of which could

harm our business. Claims arising out of actual or alleged violations of law could be asserted against us by apartment owners, landlords, tenants, third party contractors and service providers, suppliers, competitors, or governmental entities in civil or criminal investigations and proceedings or by other entities. These claims could be asserted under a variety of laws in different jurisdiction, including but not limited to internet information services laws, intellectual property laws, unfair competition laws, data protection and privacy laws, labor and employment laws, securities laws, consumer protection laws, tort laws, contract laws, property laws and employee benefit laws. In addition, as we do not verify the authenticity of the information such as electronic signatures provided by tenants, landlords and other third parties, such information may be misused and not genuine, which may also subject us to claims, lawsuits and other proceedings. We may also receive formal and informal inquiries from government authorities and regulators regarding our compliance with laws and regulations, many of which are evolving and subject to interpretation.

In particular, we may be exposed to various claims and disputes with our tenants, including but not limited to, those related to the terms set forth in the lease agreements. We take various measures to ensure that our tenants are aware of and understand the terms set forth in the lease agreements. These measures include, but not limited to, requiring tenants to watch a video regarding important terms before entering into lease agreements, and video recording tenants read out important terms in the lease agreement and confirm they understand the lease agreement. However, our tenants may misunderstand the terms in the lease agreements, such as the length of the lease, upfront payment terms and terms related to rental installment loans. These misunderstandings may lead to dispute between our tenants and us. For example, tenants may claim that they are not aware that the length of the contracted lease term is 26 months, or do not know their deposits may be forfeited when they terminate the lease during the lock-in period or otherwise breach the term of the lease. In addition, some claims and disputes with tenants may involve accidents, injuries or death in our rental apartments such as lawsuits if a tenant is assaulted or becomes victim of theft or other crime during his or her stay in our rental apartment. See “—Accidents, injuries or death in our rental apartments may adversely affect our reputation and subject us to liability.” Moreover, we may be exposed to claims and disputes with third-party suppliers, including but not limited to, those related to the payment for the goods. Such claims and disputes may be escalated to lawsuits or other legal proceedings and may distract our management, and materially and adversely affect our business and reputation.

There is no guarantee that we will be successful in defending ourselves in legal and administrative actions or in asserting our rights under various laws. Even if we are successful in our attempt to defend ourselves in legal and administrative actions or to assert our rights under various laws, enforcing our rights against the various parties involved may be expensive, time-consuming and ultimately futile. These actions could expose us to negative publicity and to substantial monetary damages and legal defense costs, injunctive relief and criminal and civil fines and penalties, including but not limited to suspension or revocation of licenses to conduct business.

If we fail to comply with governmental laws and regulations, or obtain or keep licenses, permits or approvals applicable to our business, our business and operations may be restricted and we may incur liabilities, financial penalties and other governmental sanctions.

Our business is subject to various compliance and operational requirements under PRC laws. For example, we are required to file the lease contract with the local real estate administration department. See “Regulations—Regulations Relating to Leasing.” Furthermore, new regulations may be adopted in the future to increase our compliance efforts at significant costs. For example, national or local regulations requiring companies engaged in apartment rental to register as “apartment rental enterprise” are likely to be promulgated in our existing cities. As of the date of this prospectus, one of our PRC subsidiaries engaged in apartment rental has not yet registered as apartment rental enterprise and we expect to complete the registration by December 31, 2019. We may not be in full compliance with all of the applicable requirements if they are adopted and become effective. Such failure to comply with applicable environmental, health and safety laws and regulations related to our business and apartment rental operation or obtain required permits may subject us to potential monetary damages and fines or the suspension of operations of our company.

In addition, pursuant to PRC regulations, the registered address of a PRC company should be the place where it mainly operates its business, and a PRC company is required to establish branch offices where it operates its business. We seek to register branch offices where we have business operations. However, we have not been able to establish branch offices in some of our existing locations, such as some districts in Beijing, Wuhan and Nanjing, and no penalties had been imposed by the relevant PRC regulatory authorities, as of the date of this prospectus. If the PRC regulatory authorities determine that we are in violation of the relevant laws and regulations, we may be subject to penalties, including fines, and our business operations may be adversely affected.

Moreover, under PRC advertising laws and regulations, we shall ensure that our advertising content is true and accurate and in compliance with applicable laws and regulations. See "Regulations—Regulations on Consumer Protection." In addition, where a special government review is required for specific types of advertisements prior to internet posting, we are obligated to confirm that such review has been performed and approval has been obtained. Violation of these laws and regulations may subject us to penalties, including imposition of fines, orders to cease dissemination of the advertisements and orders to publish an announcement correcting the misleading information. While we have made significant efforts to ensure that our advertisements are in full compliance with applicable PRC laws and regulations, we cannot assure you that all the content contained in such advertisements is true and accurate and in compliance with laws and regulations, especially given the uncertainty in the interpretation of these PRC laws and regulations. If we are found to be in violation of applicable PRC advertising laws and regulations, we may be subject to penalties and our reputation may be harmed, which may have a material and adverse effect on our business, financial condition, and results of operations.

Failure to diversify our revenue streams and expand the market acceptance of our products and services may adversely affect our growth.

Most of our revenue in FY 2017, FY 2018 and the nine months ended June 30, 2019 was generated from rental income collected from our tenants. We have been expanding and continue to expand our products and services, such as Qingke Select, which is our membership-based new retail platform. However, we cannot assure you that our efforts to derive non-rental revenue may be successful. Our success depends on our cooperation with third parties and effectiveness of algorithm. See "—We depend on third parties for different aspects of our business and the services that we offer. Our business, results of operation, financial condition and reputation may be materially and adversely affected if the third parties do not continue to maintain or expand their relationship with us, or fail to provide services or products according to the terms of our contracts or otherwise below standard, or by the third parties operational failure." and "—We are highly dependent on information systems, and if our information systems contain undetected errors and ineffective algorithm, or we fail to properly maintain or promptly upgrade our technology, our results of operations and financial condition may be materially and adversely affected." Failure to diversify our business may expose our business to concentration risks and harm our operations. Furthermore, we may have limited or no experience in the development, provision, or marketing of non-rental services. As a result of the foregoing, our business may be placed at a disadvantaged position, and our business, financial condition, and results of operations may be adversely affected.

Potential strategic investments, acquisitions or new business initiatives may disrupt our ability to effectively manage our business and adversely affect our operating results. In addition, to the extent we fund these business initiatives through the issuance of equity or convertible debt securities, the ownership interests of our shareholders could be significantly diluted.

We may acquire or make investments in other companies, business, products, technologies or other assets along our business value chain to complement and expand our business. We may not be able to find suitable acquisition or investment candidates, and we may not be able to complete acquisition and investment on favorable terms, or at all. If we do not complete acquisition and investment as we expect, we may not ultimately strengthen our competitive position or achieve our goals, and any acquisition and investment we complete could

be viewed negatively by investors. In addition, to the extent we fund these business initiatives through the issuance of equity or convertible debt securities, the ownership interests of our shareholders could be significantly diluted. Furthermore, if we fail to successfully integrate such acquisitions or the technologies or other assets associated with such acquisitions into our company, the revenues and operating results of the combined company could be adversely affected. Acquisitions and investments are inherently risky and may not be successful, and they may disrupt our ongoing operations, divert management from their primary responsibilities, subject us to greater-than-expected liabilities and our expenses, and adversely impact our business, financial condition, operating results, and cash flows.

We use internet search engines, online marketplaces, WeChat and other social media to promote our brand, list our rental apartments and direct traffic to our website, mobile app and WeChat public accounts. If we fail to successfully implement these initiatives, we would not be able to attract sufficient tenants and our business would be adversely affected.

We have relied on internet search engines, online marketplaces, WeChat and other social media to promote our brand, list our rental apartments and direct traffic to our website, mobile app and WeChat public account and intend to further increase our usage on such channels in the future to attract more tenants. For example, we use search engine advertising services to promote our brand and rental apartments. We also list our available rental apartments on third-party online marketplaces and the potential tenant may make an appointment to visit and reserve such apartment by calling the number we post on such online marketplace. However, the search result rankings of our rental apartments' information through online marketplaces are beyond our control. Our competitors may result in their apartments' information receiving a higher search result ranking than ours in online marketplaces, or online marketplaces could revise their methodologies in a way that would adversely affect search result rankings of our rental apartments' information, which may adversely affect our results of operation. In addition, internet search engine providers could provide listings and other apartment rental information directly in search results or choose to align with our competitors. Our website has experienced fluctuations in search result rankings in the past, and we anticipate similar fluctuations in the future.

We plan to integrate our business with our WeChat public accounts and other social media applications to promote our brand and products. WeChat and other social media may make changes to their policies, which could hinder or impede potential tenants from being directed to our website or information of our rental apartments. Any reduction in the number of visitors directed to our website and mobile apps through our WeChat public accounts and other social media could also harm our business and operating results.

Any failure to protect our patents, trademarks, computer software copyright and other intellectual property rights could have a negative impact on our business.

Our business heavily relies on our intellectual properties and information systems throughout each step of our business. Our protection for our intellectual property and proprietary rights may not be adequate, and our business may suffer if third parties infringe on our intellectual property and proprietary rights.

We may not have sufficient intellectual property rights in all countries and regions where unauthorized third-party copying or use of our proprietary technology may occur and the scope of our intellectual property might be more limited in certain countries and regions. As of June 30, 2019, we had 33 computer software copyrights registered with the Copyright Protection Center of China. However, our existing and future computer software copyrights and/or patents may not be sufficient to protect our products, services, technologies or designs and/or may not prevent others from developing competing products, services, technologies or designs. We cannot predict the validity and enforceability of our copyrights and other intellectual property with certainty. Litigation or other proceedings may be necessary to enforce our intellectual property rights. Initiating infringement proceedings against third parties can be expensive and time-consuming, and divert management's attention from other business concerns. We may not prevail in litigation to enforce our intellectual property against unauthorized use.

We may be subject to intellectual property infringement or misappropriation claims by third parties, which may force us to incur substantial legal expenses and, if determined adversely against us, could materially disrupt our business.

We cannot be certain that our services, information system, information provided on our website, WeChat public accounts and mobile apps do not or will not infringe patents, copyrights or other intellectual property rights held by third parties. From time to time, we may be subject to legal proceedings and claims alleging infringement of patents, trademarks or copyrights, or misappropriation of creative ideas or formats, or other infringement of proprietary intellectual property rights.

The validity, enforceability and scope of intellectual property rights protection in internet-related industries, particularly in China, are uncertain and still evolving. For example, as we face increasing competition and litigation is frequently used to resolve disputes in China, we face a higher risk of being the subject of intellectual property infringement claims. Pursuant to relevant laws and regulations, internet service providers may be held liable for damages if such providers have reason to know that the works uploaded or linked infringe the copyrights of others. In cases involving the unauthorized posting of copyrighted content by users on websites in China, there have been court proceedings but no settled court practice as to when and how hosting providers and administrators of a website can be held liable for the unauthorized posting by third parties of copyrighted material. Any such proceeding could result in significant costs to us and divert our management's time and attention from the operation of our business, as well as potentially adversely impact our reputation, even if we are ultimately absolved of all liability.

Our inability to use software licensed from third parties, including open source software, could negatively affect our ability to offer our services and subject us to possible litigation.

A portion of the technologies we use incorporates open source software, and we may incorporate open source software in the future. Such open source software is generally licensed by its authors or other third parties under open source licenses. These licenses may subject us to certain unfavorable conditions, including requirements that we offer our services that incorporate the open source software for no cost, that we make publicly available source code for modifications or derivative works we create based upon, incorporating, or using the open source software, or that we license such modifications or derivative works under the terms of the particular open source license.

Additionally, if a third-party software provider has incorporated open source software into software that we license from such provider, we could be required to disclose or provide at no cost any of our source code that incorporates or is a modification of such licensed software. If an author or any third party that distributes open source software that we use or license were to allege that we had not complied with the conditions of the applicable license, we may need to incur significant legal expenses defending against such allegations and could be subject to significant damages and enjoined from providing services that contained the open source software. Any of the foregoing could result in disruptions to our business, or delays in the development of future enhancements of our existing platform, which could materially and adversely affect our business and results of operations.

Failure to attract, motivate and retain quality personnel at a reasonable cost could jeopardize our competitive position. We also depend on the continued efforts of our senior management. Failure to retain our management team could harm our business.

We have, from time to time in the past, experienced, and we expect in the future to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications. There may be a limited supply of qualified individuals in some of the cities in China where we have operations and other cities into which we intend to expand. As a result, we may need to offer higher compensation and other benefits in order to attract and retain quality personnel in the future, which may increase our labor costs and adversely affect our business.

We must hire and train qualified managerial and other employees on a timely basis to keep pace with our rapid growth while maintaining consistent quality of services across our operations in various geographic locations. We offer structured training programs provided by our Qingke College and regional management teams, to our managerial and other employees so that they are equipped with up-to-date knowledge of various aspects of our operations and can meet our demand for high-quality services. If we fail to do so, the quality of our services may decline in one or more of our existing markets, which in turn, may cause a negative perception of our brand and adversely affect our business.

We place substantial reliance on the experience and the institutional knowledge of members of our current management team. Mr. Guangjie Jin, our founder, chairman and chief executive officer, and other members of the management team are particularly important to our future success due to their substantial experiences in real estate, apartment rental and other related industries. Finding suitable replacements for Mr. Guangjie Jin and other members of our management team could be difficult, and competition for such personnel of similar experience is intense. The loss of the services of one or more members of our management team due to their departures or otherwise could hinder our ability to effectively manage our business and implement our growth strategies.

We have granted, and may continue to grant, options, restricted share units and other types of awards, which may result in increased share-based compensation expenses.

We have granted, and may continue to grant, options, restricted share units and other types of awards to our employees and other persons who contributed to the success of our operations. We account for the compensation costs for our share-based incentives using a fair-value based method and recognize expenses in our consolidated statements of comprehensive loss in accordance with U.S. GAAP. In 2014, 2016 and 2017, we granted an aggregate number of 70.0 million share options to certain management, employees and non-employees, 1.4 million of which were forfeited in 2019. The remaining share options are exercisable into 68.6 million ordinary shares. For more information, please refer to “Management—Stock Options A and Stock Options B.” No share-based compensation expense is recognized on these share options until the date of the IPO. In addition, in 2017, we granted an aggregate number of 15.99 million restricted share units, or RSUs, representing 15.99 million ordinary shares, to a consulting company, which provided consulting services, including but not limited to, management of financing and investments, merger and acquisition, initial public offering and construction of information technology system, to us. The total expenses recognized in our consolidated statements of comprehensive loss for the these RSUs are RMB0.8 million and RMB2.3 million (US$0.3 million) and RMB8.2 million (US$1.2 million) for FY 2017, FY 2018 and the nine months ended June 30, 2019. In July 2019, we repurchased 5.19 million of these RSUs.

We believe the granting of share-based compensation is of significant importance to our ability to attract and retain key personnel and employees, and we will continue to grant share-based compensation to them in the future. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations.

Increases in labor costs and raw materials and enforcement of stricter labor laws and regulations in the PRC may adversely affect our business and financial condition.

Labor costs in China have risen in recent years as a result of the enactment of new labor laws and social development. Given that substantially all of our employees are currently located in China, rising labor costs in China will increase our personnel expenses. In addition, we have witnessed growing inflation rates in many areas of the world, and particularly in China, where we procure our raw materials for renovation of apartments, which adversely affects our costs of raw materials. We may not be able to pass on rising costs as a result of higher labor costs and increasing raw material prices to our tenants in the form of higher rents. Accordingly, our financial condition may be adversely affected if labor costs and raw material prices continue to rise in the future.

Companies operating in China are required to participate in various government sponsored employee benefit plans, including certain social insurance, housing funds and other welfare-oriented payment obligations, and

contribute to the plans in amounts equal to certain percentages of salaries, including bonuses and allowances, of our employees up to a maximum amount specified by the local government from time to time at our existing locations. The requirement of employee benefit plans has not been implemented consistently by the local governments in China given the different levels of economic development in different locations. Companies operating in China are also required to withhold individual income tax on employees' salaries based on the actual salary of each employee upon payment.

In addition, we have been subject to stricter regulatory requirements in terms of entering labor contracts with our employees and paying various statutory employee benefits, including pensions, housing funds, medical insurance, work-related injury insurance, unemployment insurance and childbearing insurance to designated government agencies for the benefit of our employees. Pursuant to the PRC Labor Contract Law, as amended, or the Labor Contract Law, and its implementation rules, employers are subject to various requirements in terms of signing labor contracts, minimum wages, paying remuneration, determining the term of employees' probation and unilaterally terminating labor contracts. In the event that we decide to terminate some of our employees or otherwise change our employment or labor practices, the Labor Contract Law and its implementation rules may limit our ability to effect those changes in a desirable or cost-effective manner, which could adversely affect our business and results of operations. Under the PRC Social Insurance Law and the Administrative Measures on Housing Fund, employees are required to participate in pension insurance, work-related injury insurance, medical insurance, unemployment insurance, maternity insurance, and housing funds, and employers are required, together with their employees or separately, to pay the social insurance premiums and housing funds for their employees. Employers that fail to make adequate social insurance and housing fund contributions may be subject to fines and legal sanctions. We could be deemed to have failed to pay certain social insurance and housing fund contributions under the relevant PRC laws and regulation. If the relevant PRC authorities determine that we shall make supplemental contributions, that we are not in compliance with labor laws and regulations, or that we are subject to fines or other legal sanctions, such as order of timely rectification, and our business, financial condition and results of operations may be adversely affected.

Furthermore, as the interpretation and implementation of labor-related laws and regulations are still evolving, we cannot assure you that our employment practice do not and will not violate labor-related laws and regulations in China, which may subject us to labor disputes or government investigations. If we are deemed to have violated relevant labor laws and regulations, we could be required to provide additional compensation to our employees and our business, financial condition and results of operations could be materially and adversely affected.

Our financial condition and results of operations may fluctuate due to seasonal variations in the demand of rental apartments.

Our revenues were generally higher during the three months ended September 30 of each year, as many students search for apartments in the cities where they are employed after graduation from universities. In addition, during and around the Chinese New Year holidays, which usually fall in January or February, our revenues were generally lower than the other period of the year as people are less likely to move into new apartments or stay in rented apartments during and around Chinese New Year holidays. As a result, even though our revenues rebound in March due to higher demand as labor forces come back to cities in search of jobs after the Chinese New Year holidays, our revenues were generally lower during the three months ended March 31 of each year. For these reasons, our results of operations may not be comparable from quarter to quarter. Although our rapid growth has lessened the impact of the seasonal fluctuations and cyclicality, our operating results have been and may continue to be subject to seasonality.

We do not maintain any insurance for our business, which could expose us to significant costs and business disruption.

We do not have any business disruption insurance, litigation insurance coverage, insurance policies covering damages to our IT infrastructure or information system, insurance on properties or tenant safety insurance, or

insurance for the contractors. Any disruption to our IT infrastructures or systems, business disruption, litigation or natural disaster could result in substantial cost to us and diversion of our resources, as well as significantly disrupt our operations, and have a material adverse effect on our business, financial position and results of operations.

Moreover, to improve our performance and to prevent disruption of our business, we may have to make substantial investments to deploy additional servers and backup our databases, which could increase our expenses.

Risks Related to Our Corporate Structure

If the PRC government deems that the contractual arrangements in relation to our variable interest entity do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.

Foreign ownership of internet-based businesses, such as distribution of online information and other value-added telecommunication services, are subject to restrictions under current PRC laws and regulations. For example, foreign investors are generally not allowed to own more than 50% of the equity interests in a value-added telecommunication service provider and any such foreign investor must have experience in providing value-added telecommunications services overseas and maintain a good track record in accordance with the Guidance Catalog of Industries for Foreign Investment promulgated in 2007, as amended in 2011, 2015 and 2017, and other applicable laws and regulations.

We are a Cayman Islands company and Shanghai Qingke Investment Consulting Co., Ltd., or the Q&K WFOE, our PRC subsidiary, is considered a foreign invested enterprise. To comply with PRC laws and regulations, we conduct our operations in China through a series of contractual arrangements entered into among the Q&K WFOE, Shanghai Qingke E-commerce Co., Ltd, or the VIE, and the shareholders of the VIE. As a result of these contractual arrangements, we exert control over the VIE and consolidate its operating results in our financial statements under U.S. GAAP. Shanghai Qingke Equipment Rental Co., the subsidiary of the VIE, has been operating our business, including, among others, operations of our *www.qk365.com* website since its incorporation. See “Corporate History and Structure” for more details. The VIE has obtained a value-added telecommunications service license for operations of internet content service, or the ICP License, from Shanghai Bureau of Communication Management on April 29, 2015, which will remain valid until April 28, 2020.

We believe that our corporate structure and contractual arrangements comply with the current applicable PRC laws and regulations. Our PRC legal counsel, JunHe LLP, based on its understanding of the relevant laws and regulations, is of the opinion that each of the contracts among the Q&K WFOE, the VIE and its shareholders are valid, binding and enforceable in accordance with their terms. However, as there are substantial uncertainties regarding the interpretation and application of PRC laws and regulations, including the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, and the Telecommunications Regulations and the relevant regulatory measures concerning the telecommunications industry, there can be no assurance that the PRC government authorities, such as the Ministry of Commerce, or the MOC, the MIIT, or other authorities that regulate the foreign investment or the telecommunications industry, would agree that our corporate structure or any of the above contractual arrangements comply with PRC licensing, registration or other regulatory requirements, with existing policies or with requirements or policies that may be adopted in the future. PRC laws and regulations governing the validity of these contractual arrangements are uncertain and the relevant government authorities have broad discretion in interpreting these laws and regulations.

If our corporate structure and contractual arrangements are deemed by the MIIT or the MOC or other regulators having competent authority as illegal, either in whole or in part, we may lose control of our variable interest entity and have to modify such structure to comply with regulatory requirements. However, there can be

no assurance that we can achieve this without material disruption to our business. Further, if our corporate structure and contractual arrangements are found to be in violation of any existing or future PRC laws or regulations, or we or the VIE fails to obtain or maintain any required permits or approvals, the relevant regulatory authorities would have broad discretion in dealing with such violations, including:

- revoking our business and operating licenses;
- levying fines on us;
- confiscating any of our income that they deem to be obtained through illegal operations;
- shutting down our services;
- discontinuing or restricting our operations in China;
- imposing conditions or requirements with which we may not be able to comply;
- requiring us to change our corporate structure and contractual arrangements;
- restricting or prohibiting our use of the proceeds from overseas offering to finance our variable interest entity's business and operations; and
- taking other regulatory or enforcement actions that could be harmful to our business.

The imposition of any of the penalties above may materially and adversely affect our ability to conduct our business. In addition, it is uncertain whether any new PRC laws, regulations or rules relating to the "variable interest entity" structure will be adopted or if adopted, what they would provide. See "—Substantial 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 rely on contractual arrangements with our variable interest entity and its shareholders for a significant portion of our business operations, which may not be as effective as direct ownership in providing operational control.

We have relied and expect to continue to rely on contractual arrangements with the VIE and its shareholders to operate our website, *www.qk365.com*, as well as certain other complementary businesses. See "Corporate History and Structure" for more details. These contractual arrangements may not be as effective as direct ownership in providing us with control over the VIE. For example, the VIE and its shareholders may fail to fulfill their contractual obligations with us, such as failure to maintain our website and use the domain names and trademarks in a manner as stipulated in the contractual arrangements, or taking other actions that are detrimental to our interests.

If we had direct ownership of the VIE, we would be able to exercise our rights as a shareholder to effect changes in the board of directors of the VIE, which in turn could implement changes, subject to any applicable fiduciary obligations, at the management and operational level. However, under the current contractual arrangements, we rely on the performance by the VIE and its shareholders of their obligations under these contracts to exercise control over the VIE. However, the shareholders of the VIE may not act in the best interests of our company or may not perform their obligations under these contracts. Such risks exist throughout the period in which we intend to operate our business through the contractual arrangements with the VIE. Although we have the right to replace any shareholder of the VIE under the contractual arrangements, if any shareholder is uncooperative or any dispute relating to these contracts remains unresolved, we will have to enforce our rights under these contracts through the operations of PRC laws and arbitration, litigation and other legal proceedings, the outcome of which will be subject to uncertainties. See "—Any failure by our variable interest entity or its shareholders to perform their obligations under our contractual arrangements with them would have a material adverse effect on our business." Therefore, our contractual arrangements with the VIE may not be as effective in ensuring our control over the relevant portion of our business operations as direct ownership would be.

Any failure by our variable interest entity or its shareholders to perform their obligations under our contractual arrangements with them would have a material adverse effect on our business.

If the VIE or its shareholders fail to perform their respective obligations under the contractual arrangements, we may have to incur substantial costs and expend additional resources to enforce such arrangements. We may also have to rely on legal remedies under PRC laws, including seeking specific performance or injunctive relief, and claiming damages, which we cannot assure you will be effective under PRC laws. For example, if the shareholders of the VIE were to refuse to transfer their equity interest in the VIE to us or our designee if we exercise the purchase option pursuant to these contractual arrangements, or if they were otherwise to act in bad faith toward us, then we may have to take legal actions to compel them to perform their contractual obligations.

All the agreements under our contractual arrangements are governed by PRC laws and provide for the resolution of disputes through arbitration in China (the arbitration provisions relate to the claims arising out of the contractual relationship created by the VIE agreements, rather than claims under the United States federal securities laws and do not prevent shareholders of our company from pursuing claims under the United States federal securities laws). Accordingly, these contracts would be interpreted in accordance with PRC laws and any disputes would be resolved in accordance with PRC legal procedures. The legal system in the PRC is not as developed as in some other jurisdictions, such as the United States. As a result, uncertainties in the PRC legal system could limit our ability to enforce these contractual arrangements. Meanwhile, there are very few precedents and little formal guidance as to how contractual arrangements in the context of a variable interest entity should be interpreted or enforced under PRC laws. There remain significant uncertainties regarding the ultimate outcome of such arbitration should legal action become necessary. In addition, under PRC laws, rulings by arbitrators are final and parties cannot appeal arbitration results in court unless such rulings are revoked or determined unenforceable by a competent court. If the losing parties fail to carry out the arbitration awards within a prescribed time limit, the prevailing parties may only enforce the arbitration awards in PRC courts through arbitration award recognition proceedings, which would require additional expenses and delay. In the event that we are unable to enforce these contractual arrangements, or if we suffer significant delay or other obstacles in the process of enforcing these contractual arrangements, we may not be able to exert effective control over the VIE and our ability to conduct our business may be negatively affected. See "—Risks Related to Doing Business in China—Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to us."

The shareholders of our variable interest entity may have potential conflicts of interest with us, which may materially and adversely affect our business and financial condition.

The shareholders of the VIE may have potential conflicts of interest with us. These shareholders may not act in the best interest of our company or may breach, or cause the VIE to breach, the existing contractual arrangements we have with them and the VIE, which would have a material adverse effect on our ability to effectively control the VIE and receive economic benefits from it. For example, the shareholders may be able to cause our agreements with the VIE to be performed in a manner adverse to us by, among other things, failing to remit payments due under the contractual arrangements to us on a timely basis. Neither Bing Xiao or the management or shareholders of Xiamen Siyuan Investment Management Co., Ltd., shareholders of the VIE, are our management or employee. We cannot assure you that when conflicts of interest arise, any or all of these shareholders will act in the best interests of our company or such conflicts will be resolved in our favor.

Currently, we do not have any arrangements to address potential conflicts of interest between these shareholders and our company, except that we could exercise our purchase option under the exclusive option agreement with these shareholders to request them to transfer all of their equity interests in the VIE to the Q&K WFOE or an entity or individual designated by us, to the extent permitted by PRC laws. If we cannot resolve any conflict of interest or dispute between us and the shareholders of the VIE, we would have to rely on legal proceedings, which could result in the disruption of our business and subject us to substantial uncertainty as to the outcome of any such legal proceedings.

Contractual arrangements in relation to our variable interest entity may be subject to scrutiny by the PRC tax authorities and they may determine that we or our PRC variable interest entity owe additional taxes, which could negatively affect our financial condition and the value of your investment.

Under applicable PRC laws and regulations, arrangements and transactions among related parties may be subject to audit or challenge by the PRC tax authorities within ten years after the taxable year when the transactions are conducted. The PRC Enterprise Income Tax Law requires every enterprise in China to submit its annual enterprise income tax return together with a report on transactions with its related parties to the relevant tax authorities. The tax authorities may impose reasonable adjustments on taxation if they have identified any related party transactions that are inconsistent with arm's length principles. We may face material and adverse tax consequences if the PRC tax authorities determine that the contractual arrangements among the Q&K WFOE, the VIE and the shareholders of the VIE were not entered into on an arm's length basis in such a way as to result in an impermissible reduction in taxes under applicable PRC laws, rules and regulations, and adjust the Q&K WFOE's income in the form of a transfer pricing adjustment. A transfer pricing adjustment could, among other things, result in a reduction of expense deductions recorded by the Q&K WFOE for PRC tax purposes, which could in turn increase its tax liabilities without reducing the Q&K WFOE's tax expenses. In addition, if the Q&K WFOE requests the shareholders of the VIE to transfer their equity interests in the VIE at nominal or no value pursuant to these contractual arrangements, such transfer could be viewed as a gift and subject the Q&K WFOE to PRC income tax. Furthermore, the PRC tax authorities may impose late payment fees and other penalties on the VIE for the adjusted but unpaid taxes according to the applicable regulations. Our financial position could be materially and adversely affected if our variable interest entity's tax liabilities increase or if it is required to pay late payment fees and other penalties.

We may lose the ability to use and enjoy assets held by our variable interest entity that are material to the operation of our business if the entity goes bankrupt or becomes subject to a dissolution or liquidation proceeding.

The VIE holds certain assets that are material to the operation of our business, including domain names and an ICP license. Under the contractual arrangements, the VIE may not and its shareholders may not cause it to, in any manner, sell, transfer, mortgage or dispose of its assets or its legal or beneficial interests in the business without our prior consent. However, in the event that the VIE's shareholders breach the contractual arrangements and voluntarily liquidate the VIE, or if the VIE declares bankruptcy and all or part of its assets become subject to liens or rights of third-party creditors, or are otherwise disposed of without our consent, we may be unable to continue some or all of our business activities, which could materially and adversely affect our business, financial condition and results of operations. If the VIE undergoes a voluntary or involuntary liquidation proceeding, independent third-party creditors may claim rights to some or all of these assets, thereby hindering our ability to operate our business, which could materially and adversely affect our business, financial condition and results of operations.

Risks Related to Doing Business in China

Changes in China's economic, political or social conditions or government policies could have a material adverse effect on our business and results of operations.

Substantially all of our operations are located in China and all of our revenue is sourced from China. Accordingly, our business, prospects, financial condition and results of operations may be influenced to a significant degree by political, economic and social conditions in China generally and by continued economic growth in China as a whole.

The Chinese economy differs from the economies of most developed countries in many respects, including the amount of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Although the Chinese government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets and the

establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China is still owned by the government. In addition, the Chinese government continues to play a significant role in regulating industry development by imposing industrial policies. The Chinese government also exercises significant control over China's economic growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, and providing preferential treatment to particular industries or companies.

While the Chinese economy has experienced significant growth over the past decades, growth has been uneven, both geographically and among various sectors of the economy. 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 on the apartment rental industry. In addition, in the past the Chinese government has implemented certain measures, including interest rate increases, to control the pace of economic growth. These measures may cause decreased economic activity in China, and since 2012, the Chinese economy has slowed down. Any prolonged slowdown in the Chinese economy may reduce the demand for our products and services and materially and adversely affect our business and results of operations.

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

The PRC legal system is based on written statutes and prior court decisions or legal cases have limited value as precedents. Since these laws, regulations and rules are relatively new and the PRC legal system continues to rapidly evolve, the application and interpretations of these laws, regulations and rules are not always uniform, are ambiguous and may be interpreted and applied inconsistently between different government authorities, and enforcement of these laws, regulations and rules involves uncertainties.

Developments in the apartment rental industry may lead to changes in PRC laws, regulations and policies or in the interpretation and application of existing laws, regulations and policies that may limit or restrict us, which could materially and adversely affect our business and operations. See "— New laws, regulations and policies may be promulgated to strengthen the regulation on the apartment rental industry in the future which may adversely affect our business, results of operations, financial condition and growth prospects."

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

Substantial 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 Foreign Investment Law was enacted by the second session of the thirteenth National People's Congress of the PRC on March 15, 2019 and will become effective on January 1, 2020, which will replace 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. This law will become the legal foundation for foreign investment in the PRC. The Foreign Investment Law embodies 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, uncertainties still exist in relation to interpretation and implementation of the Foreign Investment Law, especially in regard to, including, among other things, the nature of "variable interest entity" structure, the promulgation schedule of both the "negative list", or the Negative List, under the Foreign Investment Law and specific rules regulating the organization form of foreign-invested enterprises within the five-year transition period. As a result, the Foreign Investment Law may materially impact the viability of our current corporate structure, corporate governance and business operations in many aspects.

The "variable interest entity" structure, or VIE structure, has been adopted by many PRC-based companies, including us, to obtain necessary licenses and permits in the industries that are currently subject to foreign investment restrictions in China. See "—Risks Related to Our Corporate Structure" and "Corporate History and Structure."

However, the promulgated Foreign Investment Law does not explicitly define VIE structure as a form of foreign investment or indicate what actions shall be taken with respect to the existing companies with a VIE structure, whether or not these companies are controlled by Chinese parties. Moreover, it is uncertain whether the apartment rental industry, in which the VIE and its subsidiaries operate, will be subject to the foreign investment restrictions or prohibitions set forth in the "catalog of special administrative measures" to be issued. If companies with an existing VIE structure like us are required to complete the MOC market entry clearance, we face uncertainties as to whether such clearance can be timely obtained, or at all. If we are not able to obtain such clearance when required, our VIE structure may be regarded as invalid and illegal. As a result, we would not be able to (i) continue our business in China through our contractual arrangements with the VIE and shareholders of the VIE, (ii) exert control over the VIE, (iii) receive the economic benefits of the VIE under such contractual arrangements, or (iv) consolidate the financial results of the VIE. Were this to occur, our results of operations and financial condition would be materially and adversely affected and the market price of our ADSs may decline.

The Foreign Investment Law mainly stipulates three forms of foreign investment, which includes: (a) a foreign investor, individually or collectively with other investors, establishes a foreign-invested enterprise within PRC, (b) a foreign investor acquires stock shares, equity shares, interests in assets, or other like rights and interests of an enterprise within PRC, and (c) a foreign investor, individually or collectively with other investors, invests in a new project within PRC. Despite the fact that the Foreign Investment Law does not explicitly stipulate the contractual arrangements or VIE structure as a form of foreign investment, it contains a general provision that foreign investment includes "foreign investors invest in China through any other methods under laws, administrative regulations, or provisions prescribed by the State Council." Therefore, there are possibilities that future laws, administrative regulations or provisions of the State Council of the PRC may stipulate contractual arrangements as a way of foreign investment, and then whether our contractual arrangements will be recognized as a foreign investment, whether our contractual arrangements will be deemed to be in violation of the access requirements of foreign investment and how our contractual arrangements will be interpreted and handled remain uncertain.

There is no guarantee that our contractual arrangements and the business of our consolidated VIE will not be materially and adversely affected in the future. If the contractual arrangements and business of our company, our PRC subsidiary or our variable interest entity are found to be in violation of any existing or future PRC laws or regulations, or we fail to obtain or maintain any of the required permits, approvals or clearance, the relevant governmental authorities would have broad discretion in dealing with such violation, including levying fines, confiscating our income or the income of our PRC subsidiary or the VIE, revoking the business licenses or operating licenses of our PRC subsidiary or the VIE, shutting down our servers or blocking our rental apartments listed on the internet, discontinuing or placing restrictions or onerous conditions on our operations, requiring us

to undergo a costly and disruptive restructuring, restricting or prohibiting our use of proceeds from this offering to finance our business and operations in China, and taking other regulatory or enforcement actions that could be harmful to our business. In the extreme case-scenario, we may be required to unwind the contractual arrangements or dispose of our VIE which could have a material and adverse effect on our business, financial condition and result of operations. Any of these actions could cause significant disruption to our business operations and severely damage our reputation, which would in turn materially and adversely affect our business, financial condition and results of operations. If any of these occurrences results in our inability to direct the activities of the VIE, and/or our failure to receive economic benefits from the VIE, we may not be able to consolidate their results into our consolidated financial statements in accordance with U.S. GAAP.

The Foreign Investment Law, may also adversely impact our corporate governance practice and increase our compliance costs. For instance, the Foreign Investment Law imposes stringent ad hoc and periodic information reporting requirements on foreign investors and the applicable FIEs. Aside from an investment information report required at each investment, and investment amendment reports, which shall be submitted upon alteration of investment specifics, it is mandatory for entities established by foreign investors to submit an annual report, and large foreign investors meeting certain criteria are required to report on a quarterly basis. Any company found to be non-compliant with these reporting obligations may potentially be subject to fines and/or administrative or criminal liabilities, and the persons directly responsible may be subject to criminal liabilities. In addition, the Foreign Investment Law allows foreign invested enterprises established according to the existing laws regulating foreign investment to maintain their current structure and corporate governance during the five-year transition period. This infers that we may be required to adjust the structure and corporate governance of certain of our PRC subsidiaries in the transition period. Failure to take timely and appropriate measures to cope with any of these or similar regulatory compliance requirements may lead to regulatory incompliance and hence materially and adversely affect our current corporate structure, corporate governance and business operations.

We may be adversely affected by the complexity, uncertainties and changes in PRC regulation of internet-related businesses and companies, and any lack of requisite approvals, licenses or permits applicable to our business may have a material adverse effect on our business and results of operations.

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

We only have contractual control over the entities which own the domain name of our website or are registered as the owner of the mobile apps. We do not directly own the website or mobile apps due to the restriction of foreign investment in businesses providing value-added telecommunication services in China, including internet information provision services. This may significantly disrupt our business, subject us to sanctions, compromise enforceability of related contractual arrangements, or have other harmful effects on us.

The evolving PRC regulatory system for the internet industry may lead to the establishment of new regulatory agencies. For example, in May 2011, the State Council announced the establishment of a new department, the State Internet Information Office (with the involvement of the State Council Information Office, the MIIT, and the Ministry of Public Security). The primary role of this new agency is to facilitate the policy-making and legislative development in this field, to direct and coordinate with the relevant departments in connection with online content administration and to deal with cross-ministry regulatory matters in relation to the internet industry.

The interpretation and application of existing PRC laws, regulations and policies and possible new laws, regulations or policies including but not limited to those relating to the internet industry have created substantial uncertainties regarding the legality of existing and future foreign investments in, and the businesses and activities

of our business. 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 new ones. If the PRC government considers that we were operating without the proper approvals, licenses or permits or promulgates new laws and regulations that require additional approvals or licenses or imposes additional restrictions on the operation of any part of our business, it has the power, among other things, to levy fines, confiscate our income, revoke our business licenses, and require us to discontinue our relevant business or impose restrictions on the affected portion of our business. Any of these actions by the PRC government may have a material adverse effect on our business and results of operations.

We rely on dividends and other distributions on equity paid by our PRC subsidiary to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiary to make payments to us could have a material adverse effect on our ability to conduct our business.

We are a holding company, and we rely on dividends and other distributions on equity paid by our PRC subsidiary for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders and service any debt we may incur. If our PRC subsidiary incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us. In addition, the PRC tax authorities may require our PRC subsidiary to adjust its taxable income under the contractual arrangements it currently has in place with the VIE and its shareholders in a manner that would materially and adversely affect their ability to pay dividends and other distributions to us. See "—Risks Related to Our Corporate Structure—Contractual arrangements in relation to our variable interest entity may be subject to scrutiny by the PRC tax authorities and they may determine that we or our PRC variable interest entity owe additional taxes, which could negatively affect our financial condition and the value of your investment."

Under PRC laws and regulations, our PRC subsidiary, as a wholly foreign-owned enterprise in China, may pay dividends only out of its accumulated after-tax profits as determined in accordance with PRC accounting standards and regulations. In addition, a wholly foreign-owned enterprise is required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund certain statutory reserve funds, until the aggregate amount of such funds reaches 50% of its registered capital. At its discretion, a wholly foreign-owned enterprise may allocate a portion of its after-tax profits based on PRC accounting standards to staff welfare and bonus funds. These reserve funds and staff welfare and bonus funds are not distributable as cash dividends.

Our PRC subsidiaries generate primarily all of their revenue in Renminbi, which is not freely convertible into other currencies. As a result, any restriction on currency exchange may limit the ability of our PRC subsidiaries to use their Renminbi revenues to pay dividends to us.

In response to the persistent capital outflow and the Renminbi's depreciation against the U.S. dollar in the fourth quarter of 2016, the PBOC and the State Administration of Foreign Exchange, or SAFE, have implemented a series of capital control measures over recent months, including stricter vetting procedures for China-based companies to remit foreign currency for overseas acquisitions, dividend payments and shareholder loan repayments. The PRC government may continue to strengthen its capital controls and our PRC subsidiary's dividends and other distributions may be subjected to tighter scrutiny in the future. Any limitation on the ability of our PRC subsidiary to pay dividends or make other distributions to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends, or otherwise fund and conduct our business. See also "—If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or ADS holders."

In addition, the Enterprise Income Tax Law and its implementation rules provide that a withholding tax rate of up to 10% will be applicable to dividends payable by Chinese companies to non-PRC-resident enterprises unless otherwise exempted or reduced according to treaties or arrangements between the PRC central

government and governments of other countries or regions where the non-PRC-resident enterprises are incorporated.

PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans to or make additional capital contributions to our PRC subsidiary, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

Any funds we transfer to our PRC subsidiary, either as a shareholder loan or as an increase in registered capital, are subject to approval by or registration with relevant governmental authorities in China. According to the relevant PRC regulations on foreign-invested enterprises in China, capital contributions to our PRC subsidiary are subject to the requirement of making necessary filings and registration with other governmental authorities in China. In addition, (a) any foreign loan procured by our PRC subsidiary is required to be registered with the SAFE, or its local branches, and (b) our PRC subsidiary may not procure loans which exceed the statutory limitation. Any medium or long term loan to be provided by us to a variable interest entity of our company must be recorded and registered by the National Development and Reform Committee and the SAFE or its local branches. We may not complete such recording or registrations on a timely basis, if at all, with respect to future capital contributions or foreign loans by us to our PRC subsidiary. If we fail to complete such recording or registration, our ability to use the proceeds of this offering and to capitalize our PRC operations may be negatively affected, which could adversely affect our liquidity and our ability to fund and expand our business.

In 2008, the SAFE promulgated the Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises, or SAFE Circular 142, which used to regulate the conversion by foreign-invested enterprises of foreign currency into Renminbi by restricting the usage of converted Renminbi. On March 30, 2015, the SAFE promulgated the Circular on Reforming the Management Approach Regarding the Foreign Exchange Capital Settlement of Foreign-Invested Enterprises, or SAFE Circular 19. SAFE Circular 19 took effect as of June 1, 2015 and superseded SAFE Circular 142 on the same date. SAFE Circular 19 launched a nationwide reform of the administration of the settlement of the foreign exchange capitals of foreign-invested enterprises and allows foreign-invested enterprises to settle their foreign exchange capital at their discretion, but continues to prohibit foreign-invested enterprises from using the Renminbi fund converted from their foreign exchange capitals for expenditures beyond their business scopes. On June 9, 2016, the SAFE promulgated the Circular on Reforming and Standardizing the Administrative Provisions on Capital Account Foreign Exchange, or SAFE Circular 16. SAFE Circular 19 and SAFE Circular 16 continue to prohibit foreign-invested enterprises from, among other things, using RMB fund converted from its foreign exchange capitals for expenditure beyond its business scope, investment and financing (except for security investment or guarantee products issued by bank), providing loans to non-affiliated enterprises or constructing or purchasing real estate not for self-use. SAFE Circular 19 and SAFE Circular 16 may significantly limit our ability to transfer to and use in China the net proceeds from this offering, which may adversely affect our business, financial condition and results of operations.

Fluctuations in exchange rates could have a material adverse effect on our results of operations and the price of the ADSs.

The value of the Renminbi against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions in China and by China's foreign exchange policies. On July 21, 2005, the PRC government changed its decade-old policy of pegging the value of the Renminbi to the U.S. dollar, and the Renminbi appreciated more than 20% against the U.S. dollar over the following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between the Renminbi and the U.S. dollar remained within a narrow band. Since June 2010, the Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. On November 30, 2015, the Executive Board of the International Monetary Fund (IMF) completed the regular five-year review of the basket of currencies that make up the Special Drawing Right, or the SDR, and decided that with effect from October 1, 2016, Renminbi is

determined to be a freely usable currency and will be included in the SDR basket as a fifth currency, along with the U.S. dollar, the Euro, the Japanese yen and the British pound. In the fourth quarter of 2016, the RMB has depreciated significantly in the backdrop of a surging U.S. dollar and persistent capital outflows of China. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system and we cannot assure you that the 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 the Renminbi and the U.S. dollar in the future.

Substantially all of our revenue and costs are denominated in Renminbi. We are a holding company and we rely on dividends paid by our operating subsidiaries in China for our cash needs. Any significant revaluation of the Renminbi may have a material and adverse effect on your investment. For example, to the extent that we need to convert U.S. dollars we receive from this offering into Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the Renminbi amount we would receive from the conversion. Conversely, if we decide to convert our Renminbi 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 Renminbi would have a negative effect on the U.S. dollar amount available to us.

Governmental control of currency conversion may limit our ability to utilize our net revenues effectively and affect the value of your investment.

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

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

Furthermore, as these foreign exchange regulations are still relatively new and their interpretation and implementation has been constantly evolving, it is unclear how these regulations, and any future regulation concerning offshore or cross-border transactions, will be interpreted, amended and implemented by the relevant government authorities. For example, we may be subject to a more stringent review and approval process with respect to our foreign exchange activities, such as remittance of dividends and foreign-currency-denominated borrowings, which may adversely affect our financial condition and results of operations. In addition, if we decide to acquire a PRC domestic company, we cannot assure you that we or the owners of such company, as the case may be, will be able to obtain the necessary approvals or complete the necessary filings and registrations required by the foreign exchange regulations. This may restrict our ability to implement our acquisition strategy and could adversely affect our business and prospects.

The approval of the China Securities Regulatory Commission may be required in connection with this offering under a regulation adopted in August 2006, as amended, and, if required, we cannot predict whether we will be able to obtain such approval.

The Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors, or the M&A Rules, adopted by six PRC regulatory agencies in August 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 companies or individuals to obtain the approval of the China Securities Regulatory Commission, or the CSRC, prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. In September 2006, the CSRC published a notice on its official website specifying documents and materials required to be submitted to it by a special purpose vehicle seeking CSRC approval of its overseas listings.

We believe, based on the advice of our PRC legal counsel, JunHe LLP, that the CSRC's approval is not required for the listing and trading of our ADSs on the NASDAQ Global Market in the context of this offering, given that:

- we established our PRC subsidiary by means of direct investment rather than by merger with or acquisition of PRC domestic companies as defined in the M&A Rules; and
- no explicit provision in the M&A Rules classifies the respective contractual arrangements between the Q&K WFOE, the VIE and its shareholders as a type of acquisition transaction falling under the M&A Rules.

However, there remains some uncertainty as to how the M&A Rules will be interpreted or implemented in the context of an overseas offering and the CSRC's opinions summarized above are subject to any new laws, rules and regulations or detailed implementations and interpretations in any form relating to the M&A Rules. We cannot assure you that relevant PRC government agencies, including the CSRC, would reach the same conclusion as we do. If the CSRC or any other PRC regulatory agencies subsequently determines that we need to obtain the CSRC's approval for this offering or if the CSRC or any other PRC government agencies promulgates any interpretation or implements rules before our listing that would require us to obtain CSRC or other governmental approvals for this offering, we may face adverse actions or sanctions by the CSRC or other PRC regulatory agencies. Sanctions may include fines and penalties on our operations in the PRC, limitations on our operating privileges in the PRC, delays in or restrictions on the repatriation of the proceeds from this offering into the PRC, restrictions on or prohibition of the payments or remittance of dividends by our PRC subsidiary, or other actions that could have a material adverse effect on our business, financial condition, results of operations, reputation and prospects, as well as the trading price of the ADSs. The CSRC or other PRC regulatory agencies may also take actions requiring us, or making it advisable for us, to halt this offering before the settlement and delivery of the ADSs that we are offering. Consequently, if you engage in market trading or other activities in anticipation of and prior to the settlement and delivery of the ADSs we are offering, you would be doing so at the risk that the settlement and delivery may not occur. In addition, if the CSRC or other PRC regulatory agencies later promulgate new rules or explanations requiring that we obtain their approvals for this offering, 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 and/or negative publicity regarding such approval requirement could have a material adverse effect on the trading price of the ADSs.

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

The M&A Rules discussed in the preceding risk factor and some other regulations and rules concerning mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time consuming and complex, including requirements in some

instances that the MOC be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise. For example, the M&A rules require that the MOC be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise if (i) any important industry is concerned, (ii) such transaction involves factors that have or may have impact on the national economic security, or (iii) such transaction will lead to a change in control of a domestic enterprise which holds a famous trademark or PRC time-honored brand. The approval from the MOC shall be obtained in circumstances where overseas companies established or controlled by PRC enterprises or residents acquire affiliated domestic companies. Mergers, acquisitions or contractual arrangements that allow one market player to take control of or to exert decisive impact on another market player must also be notified in advance to the MOC when the threshold under the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings, or the Prior Notification Rules, issued by the State Council in August 2008 is triggered. In addition, the security review rules issued by the MOC that became effective in September 2011 specify that mergers and acquisitions by foreign investors that raise "national defense and security" concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise "national security" concerns are subject to strict review by the MOC, and the rules prohibit any activities attempting to bypass a security review, including by structuring the transaction through a proxy or contractual control arrangement. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time consuming, and any required approval processes, including obtaining approval from the MOC or its local counterparts may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

PRC regulations relating to offshore investment activities by PRC residents may limit our PRC subsidiary's ability to increase their registered capital or distribute profits to us or otherwise expose us or our PRC resident beneficial owners to liability and penalties under PRC law.

The SAFE promulgated the Circular on Relevant Issues Relating to PRC 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 residents or entities, 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 Circular on Relevant Issues Concerning Foreign Exchange Administration for PRC Residents Engaging in Financing and Roundtrip Investments through 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 subsidiary 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 subsidiary. Moreover, failure to comply with the SAFE registration described above could result in liability under PRC laws for evasion of applicable foreign exchange restrictions.

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 the requirements of SAFE Circular 37 or other applicable laws and regulations. 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 Circular 37 or other applicable laws and regulations. Failure by such shareholders or beneficial owners to comply with SAFE Circular 37, other related regulations or failure by us to amend the foreign exchange registrations of our PRC subsidiary, could

subject us to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our PRC subsidiary's ability to make distributions or pay dividends to us or affect our ownership structure, which could adversely affect our business and prospects.

Any failure to comply with PRC regulations regarding the registration requirements for employee share incentive plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

Pursuant to SAFE Circular 37, PRC residents who participate in share incentive plans in overseas non-publicly-listed companies may submit applications to SAFE or its local branches for the foreign exchange registration with respect to offshore special purpose vehicles. In the meantime, our directors, executive officers and other employees who are PRC citizens, subject to limited exceptions, and who have been granted share incentive awards by us, may follow the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Share Incentive Plan of Companies Listed Overseas, promulgated by the SAFE in 2012, or the 2012 SAFE Notice. Pursuant to the 2012 SAFE Notice, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year who participate in any share incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be the PRC subsidiaries of such overseas listed company, and complete certain other procedures. In addition, an overseas entrusted institution must be retained to handle matters in connection with the exercise or sale of share incentive awards and the purchase or sale of shares and interests. When our company becomes an overseas listed company upon the completion of this offering, we and grantees of our share incentive awards who are PRC citizens or who reside in the PRC for a continuous period of no less than one year will be subject to these regulations. Failure to complete the SAFE registrations may subject the grantees of share incentive awards to fines and legal sanctions, and may also limit our ability to contribute additional capital into our PRC subsidiaries and limit our PRC subsidiaries' ability to distribute dividends to us. We also face regulatory uncertainties that could restrict our ability to adopt additional share incentive plans for our directors, executive officers and employees under PRC law. See "Regulations—Regulations Relating to Foreign Exchange—Regulations on Offshore Financing" for more details.

If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or ADS holders.

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

We believe none of our entities outside of China is a PRC resident enterprise for PRC tax purposes. See "Taxation—People's Republic of China Taxation" for more details. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." As substantially all of our management members are based in China, it remains unclear how the tax residency rule will apply to our case. If the PRC tax authorities determine that Q&K International Group Limited or any of our subsidiaries outside of China is a PRC resident enterprise for PRC enterprise income tax purposes, then Q&K International Group Limited or such subsidiary could be subject to PRC tax at a rate of 25% on its worldwide income, which could materially reduce our net income. In addition, we will also be subject to PRC enterprise income tax reporting obligations. Furthermore, as described in the risk factor immediately below, if the PRC tax authorities determine that we are a PRC resident enterprise for enterprise income tax purposes, gains realized on the sale or other disposition of our ADSs or ordinary shares may be subject to PRC tax, and it is unclear whether non-PRC shareholders of our company would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that we are treated as a PRC resident enterprise. Any such tax may reduce the returns on your investment in the ADSs or ordinary shares.

Dividends payable to our foreign investors and gains on the sale of ADSs or ordinary shares by our foreign investors may become subject to PRC tax.

Under the PRC Enterprise Income Tax Law and its implementation regulations issued by the State Council, a 10% PRC withholding tax is applicable to dividends payable to investors that are non-resident enterprises, which do not have an establishment or place of business in the PRC or which have such establishment or place of business but the dividends are not effectively connected with such establishment or place of business, subject to any reduction or exemption set forth in applicable tax treaties or under applicable tax arrangements between jurisdictions, to the extent such dividends are derived from sources within the PRC. Similarly, any gain realized on the transfer of ADSs or ordinary shares by such investors is also subject to PRC tax at a current rate of 10%, subject to any reduction or exemption set forth in applicable tax treaties or under applicable tax arrangements between jurisdictions, if such gain is regarded as income derived from sources within the PRC. If we are deemed a PRC resident enterprise, dividends paid on our ordinary shares or the ADSs, and any gain realized from the transfer of our ordinary shares or the ADSs, may be treated as income derived from sources within the PRC and may as a result be subject to PRC taxation. Furthermore, if we are deemed a PRC resident enterprise, dividends payable to individual investors who are non-PRC residents and any gain realized on the transfer of ADSs or ordinary shares by such investors may be subject to PRC tax at a current rate of 20%, subject to any reduction or exemption set forth in applicable tax treaties or under applicable tax arrangements between jurisdictions, if such dividends or gains are deemed to be from PRC sources. If we or any of our subsidiaries established outside China are considered a PRC resident enterprise, it is unclear whether holders of the ADSs or ordinary shares would be able to claim the benefit of income tax treaties or agreements entered into between China and other countries or areas. If dividends payable to our non-PRC investors, or gains from the transfer of the ADSs or ordinary shares by such investors, are deemed as income derived from sources within the PRC and thus are subject to PRC tax, the value of your investment in the ADSs or ordinary shares may decline significantly.

We and our shareholders face uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises or other assets attributed to a Chinese establishment of a non-Chinese company, or immovable properties located in China owned by non-Chinese companies.

On February 3, 2015, the SAT issued the Several Issues Concerning the Enterprise Income Tax on Indirect Property Transfer by Non-Resident Enterprises, or Circular 7, which partially replaced and supplemented previous rules under the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises, or SAT Circular 698, issued by the SAT on December 10, 2009. Pursuant to this Circular 7, an "indirect transfer" of assets, including equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be re-characterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of

avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. According to Circular 7, "PRC taxable assets" include assets attributed to an establishment in China, immovable properties located in China, and equity investments in PRC resident enterprises, in respect of which gains from their transfer by a direct holder, being a non-PRC resident enterprise, would be subject to PRC enterprise income taxes. When determining whether there is a "reasonable commercial purpose" of the transaction arrangement, features to be taken into consideration include: whether the main value of the equity interest of the relevant offshore enterprise derives from PRC taxable assets; whether the assets of the relevant offshore enterprise mainly consists of direct or indirect investment in China or if its income mainly derives from China; whether the offshore enterprise and its subsidiaries directly or indirectly holding PRC taxable assets have real commercial nature which is evidenced by their actual function and risk exposure; the duration of existence of the business model and organizational structure; the replicability of the transaction by direct transfer of PRC taxable assets; and the tax situation of such indirect transfer and applicable tax treaties or similar arrangements. In respect of an indirect offshore transfer of assets of a PRC establishment, the resulting gain is to be included with the enterprise income tax filing of the PRC establishment or place of business being transferred, and would consequently be subject to PRC enterprise income tax at a rate of 25%. Where the underlying transfer relates to the immovable properties located in China or to equity investments in a PRC resident enterprise, which is not related to a PRC establishment or place of business of a non-resident enterprise, a PRC enterprise income tax of 10% would apply, subject to available preferential tax treatment under applicable tax treaties or similar arrangements, and the party who is obligated to make the transfer payments has the withholding obligation. Where the payor fails to withhold any or sufficient tax, the transferor is required to declare and pay such tax to the tax authority by itself within the statutory time limit. Late payment of applicable tax will subject the transferor to default interest. Circular 7 does not apply to transactions of sale of shares by investors through a public stock exchange where such shares were acquired from a transaction through a public stock exchange. On October 17, 2017, the SAT promulgated the Bulletin of SAT on Issues Concerning the Withholding of Non-resident Enterprise Income Tax at Source, or Bulletin 37, which became effective on December 1, 2017, and SAT Circular 698 then was repealed with effect from December 1, 2017. Bulletin 37, among other things, simplified procedures of withholding and payment of income tax levied on non-resident enterprises.

There is uncertainty as to the application of Circular 7 and Bulletin 37. We face uncertainties as to the reporting and other implications of certain past and future transactions where PRC taxable assets are involved, such as offshore restructuring, sale of the shares in our offshore subsidiaries or investments. Our company may be subject to filing obligations or taxed if our company is transferor in such transactions, and may be subject to withholding obligations if our company is transferee in such transactions under Circular 7 or Bulletin 37. For transfer of shares in our company by investors that are non-PRC resident enterprises, our PRC subsidiary may be requested to assist in the filing under Circular 7 or Bulletin 37. As a result, we may be required to expend valuable resources to comply with Circular 7 or Bulletin 37 or to request the relevant transferors from whom we purchase taxable assets to comply with Circular 7 and Bulletin 37, or to establish that our company should not be taxed under Circular 7 and Bulletin 37, which may have a material adverse effect on our financial condition and results of operations.

You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing actions in China against us or our management named in the prospectus based on foreign laws.

We are a company incorporated under the laws of the Cayman Islands, and we conduct substantially all of our operations in China and substantially all of our assets are located in China. In addition, most of our senior executive officers reside in China for a significant portion of the time and most of them are PRC nationals. As a result, it may be difficult for you to effect service of process upon us or those persons inside mainland China. It may also be difficult for you to enforce in the United States courts judgments obtained in the United States courts based on the civil liability provisions of the United States federal securities laws against us and our officers and directors who reside and whose assets are located outside the United States. In addition, there is uncertainty as to whether the courts of the Cayman Islands or the PRC would recognize or enforce judgments of the United States

courts against us or such persons predicated upon the civil liability provisions of the securities laws of the United States or any state.

The recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on principles of reciprocity between jurisdictions. China does not have any treaties or other forms of reciprocity with the United States that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, the PRC courts will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates the basic principles of PRC laws or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States.

The audit report included in this prospectus is prepared by auditors who are not inspected by the Public Company Accounting Oversight Board and, as such, our investors are deprived of the benefits of such inspection.

Our independent registered public accounting firm that issues the audit report included in our prospectus filed with the U.S. Securities and Exchange Commission, or the SEC, as auditors of companies that are traded publicly in the United States and a firm registered with the U.S. Public Company Accounting Oversight Board, or the PCAOB, is required by the laws of the United States to undergo regular inspections by the PCAOB to assess its compliance with the laws of the United States and professional standards.

Because we have substantial operations within the PRC and the PCAOB is currently unable to conduct inspections of the work of our independent registered public accounting firm as it relates to those operations without the approval of the Chinese authorities, our independent registered public accounting firm is not currently inspected fully by the PCAOB. This lack of PCAOB inspections in the PRC prevents the PCAOB from regularly evaluating our independent registered public accounting firm's audits and its quality control procedures. As a result, investors may be deprived of the benefits of PCAOB inspections.

On December 7, 2018, the SEC and the PCAOB issued a joint statement highlighting continued challenges faced by the U.S. regulators in their oversight of financial statement audits of U.S.-listed companies with significant operations in China. The joint statement reflects a heightened interest in an issue that has vexed U.S. regulators in recent years. However, it remains unclear what further actions the SEC and PCAOB will take and its impact on Chinese companies listed in the U.S.

Inspections of other firms that the PCAOB has conducted outside the PRC have identified deficiencies in those firms' audit procedures and quality control procedures, which may be addressed as part of the inspection process to improve future audit quality. The inability of the PCAOB to conduct full inspections of auditors in the PRC makes 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 the PRC that are subject to PCAOB inspections. Investors may lose confidence in our reported financial information and procedures and the quality of our financial statements.

Proceedings instituted by the SEC against the "big four" PRC-based accounting firms, including our independent registered public accounting firm, could result in financial statements being determined to not be in compliance with the requirements of the Exchange Act.

In late 2012, the SEC commenced administrative proceedings under Rule 102(e) of its Rules of Practice and also under the Sarbanes-Oxley Act of 2002 against the mainland Chinese affiliates of the "Big Four" accounting firms (including the mainland Chinese affiliate of our independent registered public accounting firm). A first instance trial of the proceedings in July 2013 in the SEC's internal administrative court resulted in an adverse

judgment against the firms. The administrative law judge proposed penalties on the Chinese accounting firms including a temporary suspension of their right to practice before the SEC, although that proposed penalty did not take effect pending review by the Commissioners of the SEC. On February 6, 2015, before a review by the Commissioner had taken place, the Chinese accounting firms reached a settlement with the SEC whereby the proceedings were stayed. Under the settlement, the SEC accepted that future requests by the SEC for the production of documents would normally be made to the CSRC. The Chinese accounting firms would receive requests matching those under Section 106 of the Sarbanes-Oxley Act of 2002, and would be required to abide by a detailed set of procedures with respect to such requests, which in substance would require them to facilitate production via the CSRC. The CSRC for its part initiated a procedure whereby, under its supervision and subject to its approval, requested classes of documents held by the accounting firms could be sanitized of problematic and sensitive content so as to render them capable of being made available by the CSRC to US regulators.

Under the terms of the settlement, the underlying proceeding against the four PRC-based accounting firms was deemed dismissed with prejudice at the end of four years starting from the settlement date, which was on February 6, 2019. Despite the final ending of the proceedings, the presumption is that all parties will continue to apply the same procedures: i.e. the SEC will continue to make its requests for the production of documents to the CSRC, and the CSRC will normally process those requests applying the sanitization procedure. We cannot predict whether, in cases where the CSRC does not authorize production of requested documents to the SEC, the SEC will further challenge the four PRC-based accounting firms' compliance with U.S. law. If additional challenges are imposed on the Chinese affiliates of the "big four" accounting firms, we could be unable to timely file future financial statements in compliance with the requirements of the Exchange Act.

In the event that the SEC restarts the administrative proceedings, depending upon the final outcome listed companies in the United States with major PRC operations may find it difficult or impossible to retain auditors in respect of their operations in the PRC, which could result in financial statements being determined to not be in compliance with the requirements of the Exchange Act, including possible delisting. Moreover, any negative news about any such future proceedings against these accounting firms may cause investor uncertainty regarding China-based, United States-listed companies and the market price of our ADSs may be adversely affected.

As part of a continued regulatory focus in the United States on access to audit and other information currently protected by national law, in particular China's, in June 2019, a bipartisan group of lawmakers introduced bills in both houses of Congress that would require the SEC to maintain a list of issuers for which the PCAOB is not able to inspect or investigate an auditor report issued by a foreign public accounting firm. The Ensuring Quality Information and Transparency for Abroad-Based Listings on our Exchanges (EQUITABLE) Act prescribes increased disclosure requirements for such issuers and, beginning in 2025, the delisting from national securities exchanges such as the NASDAQ or the NYSE of issuers included for three consecutive years on the SEC's list. Enactment of this legislation or other efforts to increase US regulatory access to audit information could cause investor uncertainty for affected issuers, including us, and the market price of our ADSs could be adversely affected. It is unclear if this proposed legislation would be enacted.

If our independent registered public accounting firm were denied, even temporarily, the ability to practice before the SEC and we were unable to timely find another registered public accounting firm to audit and issue an opinion on our financial statements, our financial statements could be determined not to be in compliance with the requirements of the Exchange Act. Such a determination could ultimately lead to the delisting of our ordinary shares from the NASDAQ Global Market or deregistration from the SEC, or both, which would substantially reduce or effectively terminate the trading of the ADSs in the United States.

Risks Related to this Offering and the American Depositary Shares

There has been no public market for our ordinary shares or the ADSs prior to this offering, and you may not be able to resell your ADSs at or above the price you paid, or at all.

Prior to this initial public offering, there has been no public market for our ordinary shares or the ADSs. We intend to list the ADSs on the NASDAQ Global Market. Our ordinary shares will not be listed on any exchange or quoted for trading on any over-the-counter trading system. If an active trading market for the ADSs does not develop after this offering, the market price and liquidity of the ADSs will be materially and adversely affected.

Negotiations with the underwriters will determine the initial public offering price for the ADSs which may bear no relationship to their market price after the initial public offering. We cannot assure you that an active trading market for the ADSs will develop or that the market price of our ADSs will not decline below the initial public offering price.

The market price for the ADSs may be volatile.

The trading prices of the ADSs are likely to be 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 in the market prices or the underperformance or deteriorating financial results of other listed internet or other companies based in China that have listed their securities in the United States in recent years. The securities of some of these companies have experienced significant volatility since their initial public offerings, including, in some cases, substantial price declines in their trading prices. The trading performances of other Chinese companies' securities after their offerings, including internet and e-commerce companies, may affect the attitudes of investors toward Chinese companies listed in the United States, which consequently may impact the trading performance of the ADSs, regardless of our actual operating performance. In addition, any negative news or perceptions about inadequate corporate governance practices or fraudulent accounting, corporate structure or other matters of other Chinese companies may also negatively affect the attitudes of investors towards Chinese companies in general, including us, regardless of whether we have conducted any inappropriate activities. In addition, securities markets may from time to time experience significant price and volume fluctuations that are not related to our operating performance, which may have a material adverse effect on the market price of the ADSs.

In addition to the above factors, the price and trading volume of the ADSs may be highly volatile due to multiple factors, including, among others, (i) regulatory developments affecting us, our tenants, our landlords, third-party service providers, financial institutions, or our industry, (ii) market conditions in the apartment rental industry, (iii) changes in the performance or market valuations of other apartment rental platforms, (iv) announcements by us or our competitors of new product and service offerings, acquisitions, strategic relationships, joint ventures or capital commitments, (v) actual or anticipated fluctuations in our quarterly results of operations and changes or revisions of our expected results, or changes in financial estimates by securities research analysts, (vi) negative publicity about us, our management or our industry, and (vii) sales or perceived potential sales of additional ordinary shares or ADSs.

Participation in this offering by our existing shareholders and their affiliates would reduce the available public float for the ADSs.

Our existing shareholders, Crescent Capital Investments Ltd., Newsion One Inc., Newsion Two Inc. and Youzhen Inc., have indicated an interest that they or their affiliates may purchase an aggregate of up to US$45.0 million worth of the ADSs being offered in this offering at the initial public offering price and on the same terms as the other ADSs being offered in this offering. Assuming an initial public offering price of US$18.00 per ADS, which is the mid-point of the estimated offering price range, the number of ADSs to be purchased by these existing shareholders or their affiliates would be up to 2,500,000 ADSs, representing approximately 48.1% of the ADSs being offered in this offering, assuming the underwriters do not exercise their over-allotment option. If any of these existing shareholders or their affiliates are allocated all or a portion of the ADSs in which the shareholders have indicated an interest in this offering and purchase any such ADSs, such purchase may reduce

the available public float for the ADSs. As a result, any purchase of the ADSs by these entities in this offering may reduce the liquidity of the ADSs relative to what it would have been had these ADSs been purchased by other investors.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, the market price for the ADSs and trading volume could decline.

The trading market for the ADSs will depend in part on the research and reports that securities or industry analysts publish about us or our business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who cover us downgrade our ADSs or publish inaccurate or unfavorable research about our business, the market price for the ADSs would likely decline. If one or more of these analysts cease coverage of our company or fail to publish reports on us regularly, we could lose visibility in the financial markets, which, in turn, could cause the market price or trading volume for the ADSs to decline.

Because our initial public offering price is substantially higher than our net tangible book value per share, you will experience immediate and substantial dilution.

If you purchase ADSs in this offering, you will pay more for your ADSs than the amount paid by our existing shareholders for their ordinary shares on a per ADS basis. As a result, you will experience immediate and substantial dilution of US$18.00 per ADS, representing the difference between the assumed initial public offering price of US$18.00 per ADS, the midpoint of the estimated range of the initial public offering price, and our net tangible book value per ADS as of June 30, 2018, after giving effect to the net proceeds to us from this offering. In addition, you may experience further dilution to the extent that our ordinary shares are issued upon the exercise of any share options. See “Dilution” for a more complete description of how the value of your investment in the ADSs will be diluted upon completion of this offering.

Because we do not expect to pay dividends in the foreseeable future after this offering, you must rely on price appreciation of the ADSs for return on your investment.

We currently intend to retain most, if not all, of our available funds and any future earnings after this offering 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 the ADSs as a source for any future dividend income.

Our board of directors has discretion as to whether to distribute dividends, subject to certain restrictions under Cayman Islands law, namely that our company may only pay dividends out of profits or share premium, and provided always that in no circumstances may a dividend be paid if this would result in our company being unable to pay its debts at they fall due in the ordinary course of business. In addition, our shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our board of directors. 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 ADSs will likely depend entirely upon any future price appreciation of the ADSs. There is no guarantee that our ADSs will appreciate in value after this offering or even maintain the price at which you purchased the ADSs. You may not realize a return on your investment in the ADSs and you may even lose your entire investment in the ADSs.

Substantial future sales or perceived potential sales of ADSs in the public market could cause the price of the ADSs to decline.

Sales of the ADSs in the public market after this offering, or the perception that these sales could occur, could cause the market price of the ADSs to decline. Immediately after the completion of this offering, we will

have 1,498,860,850 ordinary shares outstanding, including 156,000,000 Class A ordinary shares represented by ADSs, assuming the underwriters do not exercise their over-allotment option. All ADSs sold in this offering will be freely transferable without restriction or additional registration under the Securities Act. The remaining ordinary shares outstanding after this offering will be available for sale, upon the expiration of the 180-day lock-up period beginning from the date of this prospectus, subject to volume and other restrictions as applicable under Rules 144 and 701 under the Securities Act. Any or all of these shares may be released prior to the expiration of the lock-up period at the discretion of the representatives of the underwriters of this offering. To the extent shares are released before the expiration of the lock-up period and sold into the market, the market price of the ADSs could decline.

After completion of this offering, certain holders of our ordinary shares may cause us to register under the Securities Act the sale of their shares, subject to the 180-day lock-up period in connection with this offering. Registration of these shares under the Securities Act would result in ADSs representing these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration. Sales of ADSs representing these registered shares in the public market could cause the price of the ADSs to decline.

We have granted equity-based awards to certain management, employees and non-employees. See “Management—Stock Options A and Stock Options B.” We may adopt a share incentive plan in the future, under which we may have the discretion to grant a range of equity-based awards to eligible participants. We intend to register all ordinary shares that we may issue pursuant to the equity-based awards we have granted and under the share incentive plan we may adopt. Once we register these ordinary shares, ADSs representing them can be freely sold in the public market upon issuance, subject to volume limitations applicable to affiliates and the lock-up agreements described in the “Underwriting” section of this prospectus. If ADSs representing a large number of our ordinary shares or securities convertible into our ordinary shares are sold in the public market after they become eligible for sale, the sales could reduce the trading price of the ADSs and impede our ability to raise future capital. In addition, any ordinary shares that we issue under our share incentive plan would dilute the percentage ownership held by investors who purchase ADSs in this offering.

The voting rights of holders of ADSs are limited by the terms of the deposit agreement, and you may not be able to exercise your right to direct the voting of the underlying ordinary shares which are represented by your ADSs.

As a holder of our ADSs, you will not have any direct right to attend general meetings of our shareholders or to cast any votes at such meetings. You will only be able to exercise the voting rights which attach to the underlying ordinary shares which are represented by your ADSs indirectly by giving voting instructions to the depositary in accordance with the provisions of the deposit agreement. Under the deposit agreement, you may vote only by giving voting instructions to the depositary, as the holder of the underlying ordinary shares which are represented by your ADSs. If we ask for your instructions, 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 ordinary shares unless you withdraw the shares and become the registered holder of such shares prior to the record date for the general meeting. Under our post-offering amended and restated memorandum and articles of association that will become effective immediately prior to completion of this offering, the minimum notice period required to be given by our company to our registered shareholders for convening a general meeting is ten (10) days. When a general meeting is convened, you may not receive sufficient advance notice to enable you to withdraw the underlying shares which are represented by your 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 or 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 post-offering amended and restated memorandum and articles of association that will become effective immediately prior to completion of this offering, 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 you from withdrawing the underlying shares represented by your ADSs and becoming the registered holder of such shares prior to the record date, so that you 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, if we request, and subject to the terms of the deposit agreement, endeavor to notify you of the upcoming vote and to deliver our voting materials to you. We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote the underlying shares which are represented by your ADSs. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for their manner of carrying out your voting instructions. This means that you may not be able to exercise your right to direct the voting of the underlying shares which are represented by your ADSs, and you may have no legal remedy if the underlying shares are not voted as you requested.

The deposit agreement may be amended or terminated without your consent.

Under the deposit agreement, we may amend or terminate the deposit agreement without your consent. If you continue to hold your ADSs after an amendment to the deposit agreement, you agree to be bound by the deposit agreement as amended. See “Description of American Depositary Shares” for more details.

Your right to participate in any future rights offerings may be limited, which may cause dilution to your holdings.

We may from time to time distribute rights to our shareholders, including rights to acquire our securities. However, we cannot make such rights available to you in the United States unless we register both the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. Under the deposit agreement, the depositary will not make rights available to you unless both the rights and the underlying securities to be distributed to ADS holders are either registered under the Securities Act or exempt from registration under the Securities Act. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective and we may not be able to establish a necessary exemption from registration under the Securities Act. Accordingly, you may be unable to participate in our rights offerings in the future and may experience dilution in your holdings.

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 has agreed to pay to you the cash dividends or other distributions it or the custodian receives on our ordinary shares or other deposited securities underlying your 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 the ADSs.

ADSs holders may not be entitled to a jury trial with respect to claims arising out of or relating to our shares, the ADSs or the deposit agreement, which could result in less favorable outcomes to the plaintiffs in any such action.

The deposit agreement governing the ADSs representing our Class A ordinary shares provides that, to the fullest extent permitted by law, ADS holders waive the right to a jury trial of any claim they may have against us or the depositary arising out of or relating to our shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws.

If we or the depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable based on the facts and circumstances of that case in accordance with the applicable state and federal law. To our knowledge, the enforceability of a contractual pre-dispute jury trial waiver in connection with claims arising under the federal securities laws has not been finally adjudicated by the United States Supreme Court. However, we believe that a contractual pre-dispute jury trial waiver provision is generally enforceable, including under the laws of the State of New York, which govern the deposit agreement, by a federal or state court in the City of New York, which has non-exclusive jurisdiction over matters arising under the deposit agreement. In determining whether to enforce a contractual pre-dispute jury trial waiver provision, courts will generally consider whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this is the case with respect to the deposit agreement and the ADSs. It is advisable that you consult legal counsel regarding the jury waiver provision before entering into the deposit agreement.

If you or any other holders or beneficial owners of ADSs bring a claim against us or the depositary in connection with matters arising under the deposit agreement or the ADSs, including claims under federal securities laws, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us and the depositary. If a lawsuit is brought against either or both of us and the depositary under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have, including results that could be less favorable to the plaintiffs in any such action.

Nevertheless, if this jury trial waiver provision is not permitted by applicable law, an action could proceed under the terms of the deposit agreement with a jury trial. No condition, stipulation or provision of the deposit agreement or ADSs serves as a waiver by any holder or beneficial owner of ADSs or by us or the depositary of compliance with any substantive provision of the U.S. federal securities laws and the rules and regulations promulgated thereunder.

You may be subject to limitations on transfer of your ADSs.

Your ADSs are transferable on the books of the depositary. However, the depositary may close its transfer books at any time or from time to time when it deems expedient in connection with the performance of its duties. In addition, the depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary deems it 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.

Certain judgments obtained against us may not be enforceable.

We are an exempted company limited by shares incorporated under the laws of the Cayman Islands. We conduct substantially all of our operations in China and substantially all of our assets are located in China. In addition, a majority of our directors and executive officers reside within China, and most of the assets of these persons are located within China. As a result, it may be difficult or impossible for you to effect service of process within the United States upon these individuals, or to bring an action against us or against these individuals in the

United States in the event that you believe your rights have been infringed under the U.S. federal securities laws or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and of the PRC may render you unable to enforce a judgment against our assets or the assets of our directors and officers. See "Enforceability of Civil Liabilities" for more details.

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

We are an exempted company limited by shares incorporated under the laws of the Cayman Islands. Our corporate affairs are governed by our memorandum and articles of association, the Companies Law (2018 Revision) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary duties of our directors to us 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. 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.

Shareholders of Cayman Islands exempted companies like us have no general rights under Cayman Islands law to inspect corporate records or to obtain copies of lists of shareholders of these companies. Our directors will have discretion under the post-offering memorandum and articles of association we expect to adopt, to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder resolution or to solicit proxies from other shareholders in connection with a proxy contest.

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 management, members of the board of directors or controlling shareholders than they would as public shareholders of a company incorporated in the United States. For a discussion of significant differences between the provisions of the Companies Law (2018 Revision) of the Cayman Islands and the laws applicable to companies incorporated in the United States and their shareholders, see "Description of Share Capital—Differences in Corporate Law."

You must rely on the judgment of our management as to the use of the net proceeds from this offering, and such use may not produce income or increase the ADS price.

As of June 30, 2019, our cash, cash equivalents and restricted cash were RMB450.6 million (US$65.6 million). Immediately following the completion of this offering, we expect to receive net offering proceeds of approximately US$82.7 million, or approximately US$95.7 million if the underwriters exercise their over-allotment option in full, after deducting underwriting discounts and the estimated offering expenses payable by us. These estimates are based upon an assumed initial public offering price of US$18.00 per ADS, the midpoint of the price range shown on the front cover page of this prospectus. We plan to use the net proceeds of this offering for the expansion of our apartment network, including the related capital expenditure and sales and marketing activities, continued investment in our technology systems and infrastructure, and general corporate purposes. See "Use of Proceeds." However, our management will have considerable discretion in the application of the net proceeds received by us. You will not have the opportunity, as part of your investment decision, to assess whether proceeds are being used appropriately. The net proceeds may be used for corporate purposes that do not improve our efforts to achieve or maintain profitability or increase the ADS price. The net proceeds from this offering may be placed in investments that do not produce income or that lose value.

Our dual-class share structure with different voting rights 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 the ADSs may view as beneficial.

Immediately after the completion of this offering, our ordinary shares will consist of 1,128,142,221 Class A ordinary shares and 370,718,629 Class B ordinary shares, assuming the initial offering price of US$18.00 per ADS, and assuming the underwriters do not exercise their option to purchase additional ADSs. In respect of matters requiring the votes of shareholders, holders of Class A ordinary shares will be entitled to one vote per share, while holders of Class B ordinary shares will be entitled to ten (10) votes per share based on our proposed dual-class share structure. We will sell Class A ordinary shares represented by the ADSs in this offering. Each Class B ordinary share is convertible into one (1) Class A ordinary share at any time by the holder thereof, while Class A ordinary shares are not convertible into Class B ordinary shares under any circumstances. Upon any transfer of Class B ordinary shares by a holder thereof to any person or entity which is not an affiliate of such holder, such Class B ordinary shares shall be automatically and immediately converted into the equal number of Class A ordinary shares.

Our founder and chief executive officer, Mr. Guangjie Jin, who, through Bill.com Inc. and Yijia Inc., beneficially owns 60,389,549 Class A ordinary shares and 310,329,080 Class B ordinary shares representing 97.0% of the aggregate voting power of our company as of the date of this prospectus, will beneficially own approximately 76.7% of the aggregate voting power of our company immediately after the completion of this offering due to the disparate voting powers associated with our dual-class share structure, assuming the underwriters do not exercise their over-allotment option. See “Principal Shareholders.” As a result of the dual-class share structure and the concentration of ownership, our founder and chief executive officer, Mr. Guangjie Jin, will have considerable influence over matters such as decisions regarding change of directors, mergers, change of control transactions and other significant corporate actions. He may take actions that are not in the best interest of us or our other shareholders. This concentration of ownership may discourage, delay or prevent a change in control of our company, which could have the effect of depriving our other shareholders of the opportunity to receive a premium for their shares as part of a sale of our company and may reduce the price of the ADSs. 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.

The post-offering memorandum and articles of association that we expect to adopt and to become effective immediately prior to the completion of this offering will contain anti-takeover provisions that could discourage a third party from acquiring us and adversely affect the rights of holders of our ordinary shares and the ADSs.

We expect to adopt, subject to the approval by our shareholders, an amended and restated memorandum and articles of association that will become effective immediately prior to the completion of this offering. The post-offering memorandum and articles of association will contain certain provisions that could limit the ability of others to acquire control of our company, including a provision that grants authority to our board of directors to establish and issue from time to time one or more series of preferred shares without action by our shareholders and to determine, with respect to any series of preferred shares, the terms and rights of that series. These provisions could have the effect of depriving our shareholders and ADS holders of the opportunity to sell their shares or ADSs at a premium over the prevailing market price by discouraging third parties from seeking to obtain control of our company in a tender offer or similar transactions.

We are an emerging growth company and may take advantage of certain reduced reporting requirements.

We are an “emerging growth company” as defined in the JOBS Act, and we may take advantage of certain exemptions from various requirements applicable to other public companies that are not emerging growth companies including, most significantly, not being required to comply with the auditor attestation requirements of Section 404 of Sarbanes-Oxley Act of 2002 for so long as we are an emerging growth company. As a result, if

we elect not to comply with such auditor attestation requirements, our investors may not have access to certain information they may deem important.

The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards. In other words, an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to take advantage of the extended transition period. As a result of this election, our future financial statements may not be comparable to other public companies that comply with the public company effective dates for these new or revised accounting standards.

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 U.S. domestic public companies.

Because we qualify as 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 with the SEC of quarterly reports on Form 10-Q or current reports on Form 8-K;
- 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; and
- the selective disclosure rules by issuers of material nonpublic information under Regulation FD.

We will be required to file an annual report on Form 20-F within four months of the end of each financial year. In addition, we intend to publish our results on a quarterly basis as press releases, distributed pursuant to the rules and regulations of the NASDAQ Global Market. 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. As a result, you may not be afforded the same protections or information that would be made available to you were you investing in a U.S. domestic issuer.

As a company incorporated in the Cayman Islands, we are permitted to adopt certain home country practices in relation to corporate governance matters that differ significantly from the NASDAQ Global Market corporate governance listing standards; these practices may afford less protection to shareholders than they would enjoy if we complied fully with the NASDAQ Global Market corporate governance listing standards.

As a Cayman Islands company listed on the NASDAQ Global Market, we are subject to the NASDAQ Global Market corporate governance listing standards. However, NASDAQ Global Market rules permit a foreign private issuer like us to follow the corporate governance practices of its home country. Certain corporate governance practices in the Cayman Islands, which is our home country, may differ significantly from the NASDAQ Global Market corporate governance listing standards. Upon completion of this offering, we will follow our home country practices and rely on certain exemptions provided by the NASDAQ Global Market corporate governance listing standards to a foreign private issuer, including exemptions from the requirements to have:

- majority of independent directors on our board of directors;
- a minimum of three members in our audit committee;

- only independent directors being involved in the selection of director nominees and determination of executive officer compensation;
- regularly scheduled executive sessions of independent directors; and
- a quorum of annual general meeting which is no less than 33 1/3% of our outstanding shares.

As a result of our reliance on the corporate governance exemptions available to foreign private issuers, you will not have the same protection afforded to shareholders of companies that are subject to all of NASDAQ Global Market corporate governance listing standards.

We may become a passive foreign investment company, or PFIC, for U.S. federal income tax purposes in the current or a future taxable year, which could subject U.S. investors in ADSs or Class A ordinary shares to significant adverse U.S. federal income tax consequences.

A non-U.S. corporation will be a "passive foreign investment company", or PFIC, if, in any particular taxable year, either (a) 75% or more of its gross income for such year consists of certain types of "passive" income or (b) the average percentage of the value of its assets that produce or are held for the production of passive income is at least 50%. Because the PFIC tests must be applied each year, and the composition of our income and assets and the value of our assets may change, and because the treatment of our VIE for U.S. federal income tax purposes is not entirely clear, it is possible that we may become a PFIC in the current or a future year. In particular, because the value of our assets for purposes of the asset test may be determined by reference to the market price of our ADSs, fluctuations in the market price of the ADSs may cause us to become a PFIC. In addition, the treatment of our rental income as active for purposes of these tests depends upon whether we conduct sufficient marketing or other activities with respect to the rented properties in each taxable year to meet the requirements for an active rental business under applicable Treasury regulations, which may be uncertain.

If we are a PFIC in any taxable year, a U.S. Holder (as defined in "Taxation—United States Federal Income Tax Considerations") may incur significantly increased U.S. federal income tax on gain recognized on the sale or other disposition of the ADSs or Class A ordinary shares and on the receipt of distributions on the ADSs or Class A ordinary shares to the extent such gain or distribution is treated as an "excess distribution" under the U.S. federal income tax rules, and such U.S. Holder may be subject to burdensome reporting requirements. Further, if we are a PFIC for any year during which a U.S. Holder holds ADSs or Class A ordinary shares, we generally will continue to be treated as a PFIC for all subsequent years during which such U.S. Holder holds our ADSs or Class A ordinary shares unless we cease to be a PFIC and the U.S. Holder makes a special "purging" election on Internal Revenue Service ("IRS") Form 8621. See "Taxation—United States Federal Income Tax Considerations—Passive Foreign Investment Company Rules" for more details.

We will incur increased costs as a result of being a public company, particularly after we cease to qualify as an "emerging growth company."

Upon completion of this offering, we will become a public company and expect to incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the SEC and the NASDAQ Global Market, impose various requirements on the corporate governance practices of public companies. As a company with less than US$1.07 billion in net revenues for our last financial year, we qualify as an "emerging growth company" pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002 in the assessment of the emerging growth company's internal control over financial reporting and permission to delay adopting new or revised accounting standards until such time as those standards apply to private companies.

We expect these rules and regulations to increase our legal and financial compliance costs and to make some corporate activities more time-consuming and costly. After we are no longer an "emerging growth

company," we expect to incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 and the other rules and regulations of the SEC. For example, as a result of becoming a public company, we will need to increase the number of independent directors and adopt policies regarding internal controls and disclosure controls and procedures. We also expect that 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 will 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 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.

In the past, shareholders of a public company often brought securities class action suits against the company following periods of instability in the market price of that company's securities. If we were involved in a class action suit, it 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 suit. 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.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that reflect our current expectations and views of future events. The forward looking statements are contained principally in the sections entitled "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business." Known and unknown risks, uncertainties and other factors, including those listed under "Risk Factors," 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 some of these forward-looking statements by words or phrases such as "may," "will," "expect," "anticipate," "aim," "estimate," "intend," "plan," "believe," "is/are likely to," "potential," "continue" or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, but not limited to, statements relating to:

- our mission and strategies;
- general economic and business condition in China and elsewhere, particularly the long-term apartment rental market and government measures aimed at China's real estate industry and apartment rental industry;
- competition in the apartment rental industry;
- our future business development, financial condition and results of operations;
- our expectations regarding demand for and market acceptance of our apartments and services;
- our ability to attract tenants and landlords; and
- our relationship with financial institution partners and third-party product and service providers.

These forward-looking statements involve various risks and uncertainties. Although we believe that our expectations expressed in these forward-looking statements are reasonable, our expectations may later be found to be incorrect. Our actual results could be materially different from our expectations. Important risks and factors that could cause our actual results to be materially different from our expectations are generally set forth in "Prospectus Summary—Our Business—Our Challenges," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business," "Regulation" and other sections in this prospectus. You should thoroughly read this prospectus and the documents that we refer to with the understanding that our actual future results may be materially different from and worse than what we expect. We qualify all of our forward-looking statements by these cautionary statements.

This prospectus contains certain data and information that we obtained from various government and private publications. Statistical data in these publications also include projections based on a number of assumptions. Our industry may not grow at the rate projected by market data, or at all. Failure of this market to grow at the projected rate may have a material and adverse effect on our business and the market price of our ADSs. In addition, the rapidly changing nature of China's branded long-term apartment rental industry results in significant uncertainties for any projections or estimates relating to the growth prospects or future condition of our market. Furthermore, if any one or more of the assumptions underlying the market data are later found to be incorrect, actual results may differ from the projections based on these assumptions. You should not place undue reliance on these forward-looking statements.

The forward-looking statements made in this prospectus relate only to events or information as of the date on which the statements are made in this prospectus. 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 prospectus and the documents that we refer to in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect.

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately US$82.7 million, or approximately US$95.7 million if the underwriters exercise their over-allotment option in full, after deducting underwriting discounts and commissions and the estimated offering expenses payable by us. These estimates are based upon an assumed initial public offering price of US$18.00 per ADS, the midpoint of the price range shown on the front cover page of this prospectus. A US$1.00 increase (decrease) in the assumed initial public offering price of US$18.00 per ADS would increase (decrease) the net proceeds to us from this offering by US$4.8 million, assuming the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated expenses payable by us, and assuming the underwriters do not exercise their over-allotment option.

The primary purposes of this offering are to create a public market for our shares for the benefit of all shareholders, retain talented employees and obtain additional capital. We plan to use the net proceeds from this offering as follows:

- approximately US$32.0 million to expand our apartment network, including the related capital expenditure and sales and marketing activities;
- approximately US$8.0 million for continued investment in our technology systems and infrastructure; and
- the balance for general corporate purposes.

The foregoing represents our current intentions based upon our present plans and business conditions to use and allocate the net proceeds of this offering. Our management, however, will have significant flexibility and discretion to apply the net proceeds of this offering. If an unforeseen event occurs or business conditions change, we may use the proceeds of this offering differently than as described in this prospectus. See “Risk Factors—Risks Related to this Offering and our American Depositary Shares—You must rely on the judgment of our management as to the use of the net proceeds from this offering, and such use may not produce income or increase our ADS price.”

In using the proceeds of this offering, we are permitted under PRC laws and regulations as an offshore holding company to provide funding to our wholly foreign-owned subsidiary in China only through loans or capital contributions and to our variable interest entity only through loans, subject to the approval of government authorities and limit on the amount of capital contributions and loans. We cannot assure you that we will be able to obtain these government registrations or approvals on a timely basis, if at all. See “Risk Factors—Risks Related to Doing Business in China—PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans to or make additional capital contributions to our PRC subsidiary, which could materially and adversely affect our liquidity and our ability to fund and expand our business.” We expect that all the net proceeds from this offering will be used in the PRC in the form of RMB and mainly by funding our wholly foreign-owned subsidiary through capital contributions. In general, the relevant registration and approval procedures for capital contributions typically take approximately eight weeks to complete and there is no statutory limit on the amount of capital contributions under PRC laws and regulations. We currently see no material obstacles in completing the registration and approval procedures with respect to future capital contributions to our wholly foreign-owned subsidiary.

DIVIDEND POLICY

Our board of directors has discretion on whether to distribute dividends, subject to certain restrictions under Cayman Islands law, namely that our company may only pay dividends out of profits or share premium, and provided always 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.

We do not have any plan to pay any cash dividends on our ordinary shares in the foreseeable future and intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business.

We are a holding company incorporated in the Cayman Islands. We may rely on dividends from our subsidiaries in China for our cash requirements, including any payment of dividends to our shareholders. PRC regulations may restrict the ability of our PRC subsidiary to pay dividends to us. See “Regulations—Regulations Relating to Dividend Distribution” and “Taxation—People’s Republic of China Taxation.”

If we pay any dividends on our ordinary shares, we will pay those dividends which are payable in respect of the Class A ordinary shares underlying our ADSs to the depositary, as the registered holder of such Class A ordinary shares, and the depositary then will pay such amounts to our ADS holders in proportion to the Class A ordinary shares underlying the ADSs held by such ADS holders, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. See “Description of American Depositary Shares.” Cash dividends on our ordinary shares, if any, will be paid in U.S. dollars.

CAPITALIZATION

The following table sets forth our capitalization as of June 30, 2019:

- on an actual basis;
- on a pro forma basis to reflect the automatic conversion of all of our issued and outstanding preferred shares into 912,410,360 Class A ordinary shares immediately prior to the completion of this offering; and
- on a pro forma as adjusted basis to reflect (i) the automatic conversion of all of our issued and outstanding preferred shares into 912,410,360 Class A ordinary shares and extinguishment of contingent earn-out liabilities immediately prior to the completion of this offering, and (ii) the sale of 156,000,000 Class A ordinary shares in the form of ADSs by us in this offering at an assumed initial public offering price of US$18.00 per ADS, the mid-point of the estimated range of the initial public offering price shown on the front cover of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, assuming the underwriters do not exercise the over-allotment option.

You should read this table together with our consolidated financial statements and the related notes included elsewhere in this prospectus and the information under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

	As of June 30, 2019					
	Actual		Pro Forma		Pro Forma As Adjusted(1)	
	RMB	US$	RMB	US$	RMB	US$
	(in thousands, except for share and per share data)					
Contingent earn-out liabilities	**96,443**	**14,049**	**—**	**—**	**—**	**—**
Mezzanine equity:						
Series B convertible redeemable preferred shares	246,680	35,933	—	—	—	—
Series C convertible redeemable preferred shares	262,519	38,240	—	—	—	—
Series C-1 convertible redeemable preferred shares	227,101	33,081	—	—	—	—
Series C-2 convertible redeemable preferred shares	566,927	82,582	—	—	—	—
Total mezzanine equity	**1,303,227**	**189,836**	**—**	**—**	**—**	**—**
Shareholders' deficit:						
Ordinary shares	27	4	67	10	78	12
Series A non-redeemable preferred shares	35,777	5,212	—	—	—	—
Additional paid-in capital(2)	—	—	1,338,963	195,042	1,906,571	277,702
Accumulated deficit	(2,028,550)	(295,492)	(1,932,106)	(281,443)	(1,932,106)	(281,443)
Accumulated other comprehensive income	11,673	1,700	11,673	1,700	11,673	1,700
Total Q&K International Group Limited shareholders' deficit(2)	**(1,981,073)**	**(288,576)**	**(581,403)**	**(84,691)**	**(13,784)**	**(2,029)**
Noncontrolling interest	9,697	1,413	9,697	1,413	9,697	1,413
Total shareholder's deficit	**(1,971,376)**	**(287,163)**	**(571,706)**	**(83,278)**	**(4,087)**	**(616)**
Total capitalization(2)	**(571,706)**	**(83,278)**	**(571,706)**	**(83,278)**	**(4,087)**	**(616)**

(1) The pro forma as adjusted information discussed above is illustrative only. Our additional paid-in capital, total shareholders' equity and total capitalization following the completion of this offering are subject to adjustment based on the actual initial public offering price and other terms of this offering determined at pricing.

(2) Assuming the number of ADSs offered by us as set forth on the cover page of this prospectus remains the same, and after deduction of underwriting discounts and commissions and the estimated offering expenses payable by us, a US$1.00 change in the assumed initial public offering price of US$18.00 per ADS would, in the case of an increase, increase and, in the case of a decrease, decrease each of additional paid-in capital, total shareholders' equity/(deficit) and total capitalization by US$4.8 million.

DILUTION

If you invest in our ADSs, your interest will be diluted to the extent of the difference between the initial public offering price per ADS and our net tangible book value per ADS after this offering. Dilution results from the fact that the initial public offering price per ordinary share is substantially in excess of the book value per ordinary share attributable to the existing shareholders for our presently outstanding ordinary shares.

Our net tangible book value as of June 30, 2019 was approximately negative RMB678.5 million (US$98.8 million), or negative US$0.23 per ordinary share and negative US$6.89 per ADS. Net tangible book value represents the amount of our total consolidated tangible assets (which is calculated by subtracting net intangible assets from the total consolidated assets), less the amount of our total consolidated liabilities and non-controlling interest. Pro forma net tangible book value per ordinary share is calculated after giving effect to the automatic conversion of all of our outstanding preferred shares on a one-for-one basis and subject to anti-dilution adjustments set forth in the shareholders agreement and extinguishment of contingent earn-out liabilities. In addition, holders of our series C-2 convertible redeemable preferred shares are entitled to receive additional series C-2 convertible redeemable preferred shares in the event that our actual market capitalization before this offering is less than US$800.0 million, or the series C-2 additional issuance. The holders of our series C-2 convertible redeemable preferred shares have waived the series C-2 additional issuance, effective upon our first public filing of this prospectus, and there will be no dilutive impact as a result. Dilution is determined by subtracting net tangible book value per ordinary share, after giving effect to the additional proceeds we will receive from this offering, from the assumed initial public offering price of US$0.60 per ordinary share, which is the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus adjusted to reflect the ADS-to-ordinary share ratio, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Because Class A ordinary shares and Class B ordinary shares have the same dividend and other rights, except for voting and conversion rights, the dilution is presented based on all issued and outstanding ordinary shares, including Class A ordinary shares and Class B ordinary shares.

Without taking into account any other changes in net tangible book value after June 30, 2019, other than to give effect to conversion of our preferred shares and extinguishment of contingent earn-out liabilities and our sale of the ADSs offered in this offering at the assumed initial public offering price of US$18.00 per ADS, the midpoint of the estimated range of the initial public offering price, after deduction of the underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of June 30, 2019 would have been negative US$2.1 million, or US$0.00 per ordinary share and US$0.00 per ADS. This represents an immediate increase in net tangible book value of US$0.06 per ordinary share and US$1.80 per ADS to the existing shareholders and an immediate dilution in net tangible book value of US$0.60 per ordinary share and US$18.00 per ADS to investors purchasing ADSs in this offering. The following table illustrates such dilution:

	Per ordinary share		Per ADS
Assumed initial public offering price	US$	0.60	US$18.00
Net tangible book value as of June 30, 2019	US$	(0.23)	US$ (6.89)
Pro forma net tangible book value after giving effect to the conversion of our preferred shares and extinguishment of contingent earn-out liabilities	US$	(0.06)	US$ (1.80)
Pro forma as adjusted net tangible book value after giving effect to conversion of our preferred shares and extinguishment of contingent earn-out liabilities and this offering	US$	0.00	US$ 0.00
Amount of dilution in net tangible book value to new investors in this offering	US$	0.60	US$18.00

A US$1.00 increase (decrease) in the assumed initial public offering price of US$18.00 per ADS would increase (decrease) our pro forma as adjusted net tangible book value after giving effect to this offering by US$4.8 million, the pro forma as adjusted net tangible book value per ordinary share and per ADS after giving

effect to this offering by US$0.00 per ordinary share and US$0.05 per ADS and the dilution in pro forma as adjusted net tangible book value per ordinary share and per ADS to new investors in this offering by US$0.03 per ordinary share and US$0.90 per ADS, assuming no change to the number of ADSs offered by us as set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and other offering expenses.

The following table summarizes, on a pro forma as adjusted basis as of June 30, 2019, the differences between existing shareholders and the new investors with respect to the number of ordinary shares (in the form of ADSs or shares) purchased from us, the total consideration paid and the average price per ordinary share and per ADS paid before deducting the underwriting discounts and commissions and estimated offering expenses payable by us. The total number of ordinary shares does not include ordinary shares underlying the ADSs issuable upon the exercise of the over-allotment option granted to the underwriters.

	Ordinary Shares Purchased		Total Consideration		Average Price Per Ordinary Share	Average Price Per ADS
	Number	Percent	Amount	Percent		
Existing shareholders	1,342,860,850	89.6%	US$172,039,985	63.9%	US$0.13	US$ 3.84
New investors	156,000,000	10.4%	US$ 93,600,000	36.1%	US$0.60	US$18.00
Total	1,498,860,850	100%	US$265,639,985	100%		

The pro forma as adjusted information discussed above is illustrative only. Our net tangible book value following the completion of this offering is subject to adjustment based on the actual initial public offering price of our ADSs and other terms of this offering determined at pricing.

The discussion and tables above also assume no exercise of any outstanding share options outstanding as of the date of this prospectus. As of the date of this prospectus, there were 68,600,000 ordinary shares issuable upon exercise of outstanding share options at a weighted average exercise price of US$0.31 per ordinary share, and there were 17,400,000 ordinary shares available for future issuance upon exercise of future grants under our share incentive plans.

ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated in the Cayman Islands to take advantage of certain benefits associated with being a Cayman Islands exempted company, such as:

- political and economic stability;
- an effective judicial system;
- a favorable tax system;
- the absence of exchange control or currency restrictions; and
- the availability of professional and support services.

However, certain disadvantages accompany incorporation in the Cayman Islands. These disadvantages include, but are not limited to:

- the Cayman Islands has a less developed body of securities laws as compared to the United States and these securities laws provide significantly less protection to investors as compared to the United States; and
- Cayman Islands companies may not have standing to sue before the federal courts of the United States.

Our constituent documents do not contain provisions requiring that disputes, including those arising under the securities laws of the United States, between us, our officers, directors and shareholders, be arbitrated.

Substantially all of our operations are conducted in China, and substantially all of our assets are located in China. All of our directors and executive officers are nationals or residents of jurisdictions other than the United States and most of their assets are located outside the United States. As a result, it may be difficult for a shareholder to effect service of process within the United States upon these individuals, or to bring an action against us or against these individuals in the United States, in the event that you believe that your rights have been infringed under the securities laws of the United States or any state in the United States.

We have appointed Cogency Global Inc., located at 10 E. 40th Street, 10th Floor, New York, NY 10016, as our agent upon whom process may be served in any action brought against us under the securities laws of the United States.

Conyers Dill & Pearman, our legal counsel as to Cayman Islands law, and JunHe LLP, our legal counsel as to PRC law, have advised us, respectively, that there is uncertainty as to whether the courts of the Cayman Islands and China, respectively, would:

- recognize or enforce judgments of United States courts obtained against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States; or
- entertain original actions brought in each respective jurisdiction against us or our directors or officers predicated upon the securities laws of the United States or any state in the United States.

We have been advised by our Cayman Islands legal counsel, Conyers Dill & Pearman, that the courts of the Cayman Islands are unlikely (i) to recognize or enforce against us judgments of courts of the United States predicated upon the civil liability provisions of the securities laws of the United States or any State; and (ii) in original actions brought in the Cayman Islands, to impose liabilities against us predicated upon the civil liability provisions of the securities laws of the United States or any State, so far as the liabilities imposed by those provisions are penal in nature. The courts of the Cayman Islands would recognize as a valid judgment, a final and conclusive judgment in personam obtained in the United Courts against our company under which a sum of

money is payable (other than a sum of money payable in respect of multiple damages, taxes or other charges of a like nature or in respect of a fine or other penalty) or, in certain circumstances, an in personam judgment for non-monetary relief, and would give a judgment based thereon provided that (a) such courts had proper jurisdiction over the parties subject to such judgment, (b) such courts did not contravene the rules of natural justice of the Cayman Islands, (c) such judgment was not obtained by fraud, (d) the enforcement of the judgment would not be contrary to the public policy of the Cayman Islands, (e) no new admissible evidence relevant to the action is submitted prior to the rendering of the judgment by the courts of the Cayman Islands, and (f) there is due compliance with the correct procedures under the laws of the Cayman Islands. A Cayman Islands Court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

JunHe LLP has further advised us that the recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law based either on treaties between China and the country where the judgment is made or on principles of reciprocity between jurisdictions. China does not have any treaties or other form of reciprocity with the United States or the Cayman Islands that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to the PRC Civil Procedures Law, courts in the PRC will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, security or public interest. As a result, it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States or the Cayman Islands. Under the PRC Civil Procedures Law, foreign shareholders may originate actions based on PRC law against us in the PRC, if they can establish sufficient nexus to the PRC for a PRC court to have jurisdiction, and meet other procedural requirements, including, among others, the plaintiff must have a direct interest in the case, and there must be a concrete claim, a factual basis and a cause for the suit. However, it would be difficult for foreign shareholders to establish sufficient nexus to the PRC by virtue only of holding our ADSs or Class A ordinary shares.

CORPORATE HISTORY AND STRUCTURE

We began our operation through Qingke Fashion Life Service Co., Ltd., or Q&K Fashion, which was established on November 8, 2007 by certain individuals related to our founder and CEO, Mr. Guangjie Jin, who transferred all voting rights to Mr. Guangjie Jin by proxy agreements. We substantially commenced our apartment rental business in 2012. During the period from 2007 to 2014, Q&K Fashion undertook several rounds of equity financing in the PRC. Mr. Guangjie Jin held more than 50% controlling interests over Q&K Fashion since the date of its incorporation.

On August 2, 2013, Q&K Fashion incorporated Shanghai Qingke E-commerce Co., Ltd, or Q&K E-Commerce. On March 17, 2015, Q&K E-commerce incorporated Shanghai Qingke Equipment Rental Co., Ltd., or Q&K Equipment Rental. From 2013 to 2015, Q&K Fashion transferred all of its shareholding over Q&K E-commerce to several investors and our founder and CEO, Mr. Guangjie Jin, allowing the latter to obtain control through majority equity ownership.

To facilitate financing and offshore listing, we underwent a series of reorganization, or the Reorganization as follows. We incorporated Q&K International Group Limited in the Cayman Islands as our offshore holding company in August 2014. In April 2015, Shanghai Qingke Investment Consulting Co., Ltd., or Q&K Investment Consulting, was incorporated as Q&K International Group Limited's wholly-owned subsidiary in the PRC. Shortly thereafter, Q&K International Group Limited issued ordinary shares to the offshore entities designated by then shareholders of Q&K Fashion in proportion to these shareholders' then shareholding percentage in Q&K Fashion. In April 2015, Q&K Investment Consulting entered into a series of contractual arrangements with Q&K E-Commerce (which became our variable interest entity, or VIE), Guangjie Jin, Bing Xiao, and Xiamen Siyuan Investment Management Co., Ltd. The contract arrangements enable us to obtain control over the VIE and its subsidiaries. The contractual arrangements consist of shareholder voting proxy agreements and powers of attorney, exclusive technology service agreement, exclusive option agreement, equity interest pledge agreement and spousal consent letter. See "—Contractual Arrangements with the VIE and its Shareholders" for details. In the meantime, Q&K Fashion transferred all its net assets to Q&K Equipment Rental, a subsidiary of our VIE. Both Q&K International Group Limited and Q&K Fashion were controlled by Mr. Guangjie Jin before and after the Reorganization, and therefore we consider the Reorganization as a reorganization of entities under common control.

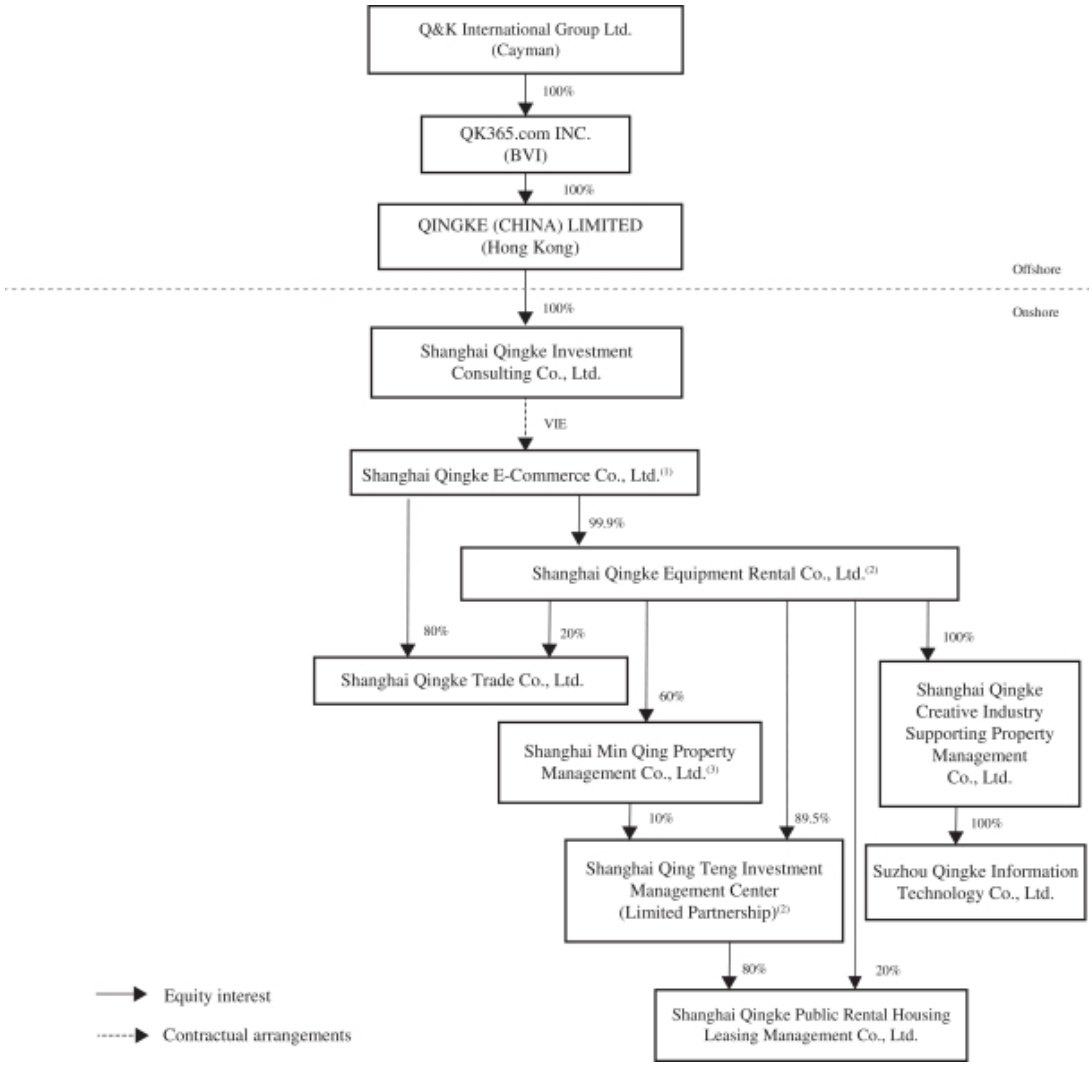
Due to PRC legal restrictions on foreign ownership and investment in value-added telecommunications services, and Internet content provision services in particular, we currently conduct our value-added telecommunication services business through Q&K E-Commerce, which we effectively control through a series of contractual arrangements. The contractual arrangements between Q&K Investment Consulting, Q&K E-Commerce and the shareholders of Q&K E-Commerce allow us to:

- exercise effective control over Q&K E-Commerce and its subsidiaries;
- receive substantially all of the economic benefits of Q&K E-Commerce and its subsidiaries; and
- have an exclusive option to purchase all or part of the equity interests and assets in Q&K E-Commerce when and to the extent permitted by PRC law.

For more details, see "—Contractual Arrangements with the VIE and its Shareholders." As a result of these contractual arrangements, we have effective control over, and are the primary beneficiary of, Q&K E-Commerce and its subsidiaries and other consolidated entities and therefore treat them as our consolidated affiliated entities under U.S. GAAP and have consolidated their financial results in our consolidated financial statements in accordance with U.S. GAAP.

In November 2015, we effected a one-for-ten share split of our ordinary shares and preferred shares.

The chart below summarizes our corporate structure and identifies our principal subsidiaries and other consolidated entities as of the date of this prospectus:



(1) Guangjie Jin, Xiamen Siyuan Investment Co., Ltd. and Bing Xiao are beneficial owners of the shares of Q&K E-Commerce, who hold 74.5%, 15.0% and 10.5% equity interests in Q&K E-Commerce, respectively.
(2) The remaining minority interests are ultimately owned by Mr. Guangjie Jin.
(3) The remaining minority interests are owned by third parties.

We conduct substantially all our operations in Shanghai, Suzhou, Hangzhou, Nanjing, Wuhan, Beijing and Jiaxing through 11 subsidiaries and other consolidated entities incorporated in the respective cities and provinces. Among others:

- Shanghai Qingke Public Rental Housing Leasing Management Co., Ltd. and its subsidiary primarily focus on the apartment renovation and the procurement of furniture, appliances and other equipment in relation to our apartment rental service.

- Shanghai Qingke Trade Co., Ltd. primarily focuses on the operation of Qingke Select.
- Shanghai Qingke Creative Industry Supporting Property Management Co., Ltd and its subsidiary primarily focus on sourcing apartment units in Shanghai.

Contractual Arrangements with the VIE and its Shareholders

Agreements that Provide Us with Effective Control over the VIE

Equity Pledge Agreement

Q&K Investment Consulting, Q&K E-Commerce, and the shareholders of Q&K E-Commerce entered into an equity pledge agreement on April 21, 2015. We have completed the registration of the equity pledge with the relevant office of the Administration for Industry and Commerce in accordance with PRC Property Rights Law on April 30, 2015. Pursuant to the equity pledge agreement and upon the completion of the equity pledge registration, each shareholder of Q&K E-Commerce has pledged all of its equity interest in Q&K E-Commerce to Q&K Investment Consulting to guarantee the performance by such shareholder and Q&K E-Commerce of their respective obligations under the exclusive technology service agreement, shareholder voting proxy agreements, powers of attorney and exclusive option agreement as well as their respective liabilities arising from any breach. If Q&K E-Commerce or any of its shareholders breaches any obligations under these agreements, Q&K Investment Consulting, as pledgee, will be entitled to dispose of the pledged equity and have priority to be compensated by the proceeds from the disposal of the pledged equity. Each of the shareholders of Q&K E-Commerce agrees that before its obligations under the contractual arrangements are discharged, he or she will not dispose of the pledged equity interests, create or allow any encumbrance on the pledged equity interests, or take any action which may result in any change of the pledged equity that may have material adverse effects on the pledgee's rights under this agreement without the prior written consent of Q&K Investment Consulting. The equity pledge agreement will remain effective until Q&K E-Commerce and its shareholders discharge all their obligations under the contractual arrangements.

Shareholder Voting Proxy Agreement

Q&K Investment Consulting, Q&K E-Commerce and the shareholders of Q&K E-Commerce entered into a shareholder voting proxy agreement on April 21, 2015. Pursuant to the voting proxy agreement, each shareholder of Q&K E-Commerce irrevocably authorizes any person(s) designated by Q&K Investment Consulting to act as his or her attorney-in-fact to exercise all of such shareholder's voting and other rights associated with the shareholder's equity interest in Q&K E-Commerce, such as the right to appoint or remove directors, supervisors and officers, as well as the right to sell, transfer, pledge and dispose of all or a portion of the shares held by such shareholder. The shareholder voting proxy agreement will remain in force unless Q&K Investment Consulting gives out any instruction in writing or otherwise.

Spousal Consent Letter

The spouse of Bing Xiao signed a spousal consent letter on April 14, 2015. Bing Xiao holds 10.47% equity interest in Q&K E-Commerce. Under the spousal consent letter, the signing spouse unconditionally and irrevocably agreed, that she was aware of the disposal of Q&K E-Commerce shares held by Bing Xiao in the abovementioned exclusive option agreement, equity pledge agreement, shareholder voting proxy agreement and power of attorney. The signing spouse confirmed not having any interest in the Q&K E-Commerce shares and committed not to impose any adverse assertions upon those shares. The signing spouse further confirmed that her consent and approval are not needed for any amendment or termination of the abovementioned agreements and committed that she shall take all necessary measures needed for the performance of those agreements.

Agreement that Allows Us to Receive Economic Benefits from the VIE

Exclusive Technology Service Agreement

Q&K Investment Consulting and Q&K E-Commerce entered into an exclusive technology service agreement on April 21, 2015. Pursuant to this agreement, Q&K Investment Consulting or its designated party has the exclusive right to provide Q&K E-Commerce with consulting, software and technology services. Without Q&K Investment Consulting's prior written consent, Q&K E-Commerce shall not accept any technical support and services covered by this agreement from any third party. Q&K E-Commerce agrees to pay service fees equivalent to no less than 100% of its annual net profit. Q&K E-Commerce also agrees to pay service fees for any specific technology service and consultation service rendered by Q&K Investment Consulting at Q&K E-Commerce's request from time to time. Q&K Investment Consulting owns the intellectual property rights arising out of the provisions of services under this agreement. Unless terminated mutually, this agreement will remain effective for twenty years. This agreement will be automatically renewed for another ten years, unless there is any written objection rendered 30 days prior to its expiry.

Agreement that Provides Us with the Option to Purchase the Equity Interest and Assets in the VIE

Exclusive Option Agreement

Q&K Investment Consulting, Q&K E-Commerce and the shareholders of Q&K E-Commerce entered into an exclusive option agreement in 2015. Pursuant to the exclusive option agreement, Q&K E-Commerce and its shareholders have irrevocably granted Q&K Investment Consulting or any third party designated by Q&K Investment Consulting an exclusive option to purchase all or part of their respective equity interests in Q&K E-Commerce. The purchase price shall be the lower of (i) the amount that the shareholders contributed to Q&K E-Commerce as registered capital for the equity interests to be purchased, or (ii) the lowest price permitted by applicable PRC law. The shareholders of Q&K E-Commerce irrevocably agree that if such price is lower than what is allowed by PRC law, the purchase price should be equal to the lowest price allowed by PRC law. Q&K E-Commerce or its shareholders will repay Q&K Investment Consulting or any third party designated by Q&K Investment Consulting the purchase price within ten business days after Q&K E-Commerce or its shareholders receives such purchase price. In addition, Q&K E-Commerce granted Q&K Investment Consulting an exclusive option to purchase, or have its designated entity or person, to purchase, at its discretion, to the extent permitted under PRC law, all or part of Q&K E-Commerce's assets at the net book value of the transferred assets, or the lowest price permitted by applicable PRC law if the latter is higher than the relevant net book value.

Q&K Investment Consulting may transfer any of its right or obligations under this agreement to a third party after notifying Q&K E-Commerce and its shareholders. Without Q&K Investment Consulting's prior written consent, the shareholders of Q&K E-Commerce shall not, among other things, amend its articles of association, increase or decrease the registered capital, sell, dispose of or set any encumbrance on its assets, business or revenue outside the ordinary course of business, enter into any material contract, merge with any other persons or make any investments, distribute dividends, or enter into any transactions which have material adverse effects on its business. The shareholders of Q&K E-Commerce also undertake that they will not transfer, pledge, or otherwise dispose of their equity interests in Q&K E-Commerce to any third party or create or allow any encumbrance on their equity interests. This agreement will remain effective until Q&K Investment Consulting or any third party designated by Q&K Investment Consulting has acquired all equity interest of Q&K E-Commerce from its shareholders.

In the opinion of JunHe LLP, our PRC legal counsel:

- the ownership structures of Q&K Investment Consulting and Q&K E-Commerce, both currently and immediately after giving effect to this offering, will not result in any violation of applicable PRC laws or regulations currently in effect; and

- the contractual arrangements among Q&K Investment Consulting, Q&K E-Commerce, the shareholders of Q&K E-Commerce governed by PRC law both currently and immediately after giving effect to this offering are valid, binding and enforceable, and will not result in any violation of PRC laws or regulations currently in effect.

However, there are substantial uncertainties regarding the interpretation and application of current and future PRC laws, regulations and rules. Accordingly, the PRC regulatory authorities may in the future take a view that is contrary to or otherwise different from the above opinion of our PRC legal counsel. It is uncertain whether any new PRC laws or regulations relating to VIE structures will be adopted or if adopted, what they would provide. If the PRC government finds that the agreements that establish the structure for the operation of Q&K E-Commerce do not comply with PRC government restrictions on foreign investment in our businesses, we could be subject to severe penalties including being prohibited from continuing operations. See “Risk Factors—Risks Related to Our Corporate Structure—If the PRC government deems that the contractual arrangements in relation to our variable interest entity do not comply with PRC regulatory restrictions on foreign investment in the relevant industries, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations” and “Risk Factors—Risks Related to Doing Business in China—Uncertainties in the interpretation and enforcement of PRC laws and regulations could limit the legal protections available to us” for more details.

SELECTED CONSOLIDATED FINANCIAL AND OPERATING DATA

The following selected consolidated statements of comprehensive loss data and selected consolidated cash flows data for FY 2017 and FY 2018, and selected consolidated balance sheets data as of September 30, 2017 and 2018 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The following selected consolidated statements of comprehensive loss data and selected consolidated cash flows data for the nine months ended June 30, 2018 and 2019, and selected consolidated balance sheet data as of June 30, 2019 have been derived from our unaudited interim condensed consolidated financial statements included elsewhere in this prospectus. Our consolidated financial statements are prepared and presented in accordance with U.S. GAAP. Our historical results do not necessarily indicate results expected for any future periods. You should read this Selected Consolidated Financial and Operating Data section together with our consolidated financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus.

				Nine months ended June 30,		
	FY 2017	FY 2018		2018	2019	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands, except for share and per share data)					
Selected Consolidated Statements of Comprehensive Loss Data:						
Net revenues:						
Rental service revenue	508,910	796,940	116,087	538,652	792,746	115,476
Value-added services and others	13,827	92,997	13,547	54,372	105,192	15,323
Total net revenues	522,737	889,937	129,634	593,024	897,938	130,799
Operating costs and expenses:						
Operating cost	(547,618)	(897,959)	(130,802)	(601,906)	(959,080)	(139,706)
Selling and marketing expenses	(42,008)	(117,826)	(17,163)	(75,462)	(102,111)	(14,874)
General and administrative expenses	(34,353)	(84,953)	(12,375)	(57,774)	(76,037)	(11,076)
Research and development expenses	(44,160)	(51,947)	(7,567)	(38,145)	(38,380)	(5,591)
Pre-operation expenses	(19,934)	(117,107)	(17,059)	(88,963)	(37,066)	(5,399)
Impairment loss	(22,750)	(50,614)	(7,373)	(20,554)	(33,396)	(4,865)
Other income (expense), net	(1,460)	4,034	588	1,129	460	67
Total operating costs and expenses	(712,283)	(1,316,372)	(191,751)	(881,675)	(1,245,610)	(181,444)
Loss from operations	(189,546)	(426,435)	(62,117)	(288,651)	(347,672)	(50,645)
Interest income (expense), net	(50,136)	(77,167)	(11,241)	(55,896)	(67,907)	(9,892)
Foreign exchange gain (loss)	3	(91)	(13)	(91)	(960)	(140)
Fair value change of contingent earn-out liabilities	(5,165)	6,164	898	23,398	43,378	6,319
Loss before income taxes	(244,844)	(497,529)	(72,473)	(321,240)	(373,161)	(54,358)
Income tax expense	(596)	(2,393)	(349)	(2,376)	(40)	(6)
Net loss	(245,440)	(499,922)	(72,822)	(323,616)	(373,201)	(54,364)
Less: net income (loss) attributable to noncontrolling interests	35	(63)	(9)	(48)	(75)	(11)
Net loss attributable to Q&K International Group Limited	(245,475)	(499,859)	(72,813)	(323,568)	(373,126)	(54,353)
Deemed dividend	(58,763)	(135,545)	(19,745)	(91,826)	(185,131)	(26,967)
Net loss attributable to ordinary shareholders	(304,238)	(635,404)	(92,558)	(415,394)	(558,257)	(81,320)

The following table presents our selected consolidated balance sheets data as of September 30, 2017 and 2018 and June 30, 2019:

	As of September 30,			As of June 30, 2019	
	2017	2018			
	RMB	RMB	US$	RMB	US$
			(in thousands)		
Selected Consolidated Balance Sheets Data:					
Assets					
Current assets:					
Cash and cash equivalents	365,115	103,752	15,113	342,187	49,845
Restricted cash	2,000	15,000	2,185	108,434	15,795
Accounts receivable (net of allowance)	314	475	73	998	149
Amounts due from related parties	12,541	22,505	3,278	7,427	1,082
Prepaid rents and deposit	92,687	170,683	24,863	137,864	20,082
Advance to suppliers	27,270	17,079	2,488	62,116	9,048
Other current assets	42,118	118,445	17,253	120,353	17,531
Total current assets	542,045	447,939	65,253	779,379	113,532
Non-current assets:					
Property and equipment—net	578,331	1,320,822	192,399	1,244,034	181,214
Intangible assets—net	1,714	1,232	179	703	102
Land use rights	11,307	11,021	1,605	10,806	1,574
Other assets	201	389	57	261	38
Total assets	1,133,598	1,781,403	259,493	2,035,183	296,460
Liabilities and equity:					
Current liabilities	1,173,179	1,969,883	286,947	1,720,125	250,566
Non-current liabilities	386,389	590,654	86,038	983,207	143,221
Total liabilities	1,559,568	2,560,537	372,985	2,703,332	393,787
Total mezzanine equity	368,546	644,043	93,816	1,303,227	189,836
Total Q&K International Group Limited shareholders' deficit	(812,351)	(1,440,949)	(209,897)	(1,981,073)	(288,576)
Noncontrolling interest	17,835	17,772	2,589	9,697	1,413
Total shareholders' deficit	(794,516)	(1,423,177)	(207,308)	(1,971,376)	(287,163)
Total liabilities, mezzanine equity and shareholders' deficit	1,133,598	1,781,403	259,493	2,035,183	296,460

The following table presents our selected consolidated cash flow data for FY 2017, FY 2018 and the nine months ended June 30, 2018 and 2019:

	FY 2017	FY 2018		Nine months ended June 30, 2018	Nine months ended June 30, 2019	
	RMB	RMB	US$	RMB	RMB	US$
	(in thousands)					
Selected Consolidated Cash Flow Data:						
Net cash used in operating activities	(43,589)	(117,048)	(17,051)	(98,063)	(55,689)	(8,113)
Net cash used in investing activities	(285,518)	(674,298)	(98,223)	(482,311)	(287,707)	(41,909)
Net cash provided by financing activities	649,451	539,528	78,591	514,351	675,386	98,379
Effect of foreign exchange rate changes	(238)	3,455	505	(484)	(121)	(15)
Net increase (decrease) in cash, cash equivalents and restricted cash	320,106	(248,363)	(36,178)	(66,507)	331,869	48,342
Cash, cash equivalents and restricted cash at the beginning of the period	47,009	367,115	53,476	367,115	118,752	17,298
Cash, cash equivalents and restricted cash at the end of the period	367,115	118,752	17,298	300,608	450,621	65,640

Non-GAAP Financial Measures

We use EBITDA and adjusted EBITDA, non-GAAP financial measures, as supplemental measures in evaluating and assessing our operating results.

EBITDA represents our net loss before (i) interest income (expense), net, (ii) income tax, and (iii) depreciation and amortization. Adjusted EBITDA represents our net loss before (i) interest income (expense), net, (ii) income tax, (iii) depreciation and amortization, (iv) impairment loss, (v) fair value change of contingent earn-out liabilities, and (vi) share-based compensation.

We believe that EBITDA and adjusted EBITDA help identify underlying trends in our business that could otherwise be distorted by the effect of certain expenses that we include in net loss. For example, we excluded the impact of fair value change of contingent earn-out liabilities. We recorded such contingent earn-out liabilities related to the EBITDA feature of series C and series C-1 preferred shares at fair value and re-measured it at each period-end, with the changes in the fair value recorded as an adjustment to the earnings. However, if we successfully complete a qualified IPO by December 31, 2019, the contingent earn-out liability will be extinguished.

EBITDA and adjusted EBITDA should not be considered in isolation or construed as alternatives to net loss or any other measure of performance or as an indicator of our operating performance. Investors are encouraged to review the historical non-GAAP financial measures to the most directly comparable GAAP measure. EBITDA and adjusted EBITDA presented here may not be comparable to similarly titled measure presented by other companies. In addition, EBITDA and adjusted EBITDA have certain limitations as an analytical tool. Please see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures” for more details.

The table below sets forth a reconciliation of our net loss to adjusted EBITDA and adjusted EBITDA from available rental units for the periods indicated:

	FY 2017		FY 2018			Nine months ended June 30, 2018		Nine months ended June 30, 2019		
	RMB	% of total net revenues	RMB	US$	% of total net revenues	RMB	% of total net revenues	RMB	US$	% of total net revenues
	(in thousands, except for percentages)									
Net Loss	(245,440)	(47.0)	(499,922)	(72,822)	(56.2)	(323,616)	(54.6)	(373,201)	(54,364)	(41.6)
Add/(less):										
Interest income (expense), net	50,136	9.6	77,167	11,241	8.7	55,896	9.4	67,907	9,892	7.6
Income tax expense	596	0.1	2,393	349	0.3	2,376	0.4	40	6	0.0
Depreciation and amortization	101,786	19.5	152,311	22,187	17.1	103,736	17.5	159,180	23,187	17.7
EBITDA	(92,922)	(17.8)	(268,051)	(39,045)	(30.1)	(161,608)	(27.3)	(146,074)	(21,279)	(16.3)
Add:										
Impairment loss	22,750	4.4	50,614	7,373	5.7	20,554	3.5	33,396	4,865	3.7
Fair value change of contingent earn-out liabilities(1)	5,165	1.0	(6,164)	(898)	(0.7)	(23,398)	(3.9)	(43,378)	(6,319)	(4.8)
Share-based compensation	775	0.1	2,252	328	0.3	2,252	0.4	8,173	1,191	0.9
Adjusted EBITDA(2)	(64,232)	(12.3)	(221,349)	(32,242)	(24.8)	(162,200)	(27.3)	(147,883)	(21,542)	(16.5)

(1) relating to our contingent earn-out liabilities to series C and C-1 preferred shareholders.

(2) includes lease cost of RMB40,252 thousand, RMB192,878 thousand (US$28,096 thousand), RMB133,031 thousand, and RMB44,615 thousand (US$6,499 thousand) in FY 2017, FY 2018 and the nine months ended June 30, 2018 and June 30, 2019, respectively, for which we record, but do not pay, rent in the current period. Such rent is a current operating cost and we will pay such rent in future periods.
Our landlords typically offer a 90-160-day rent-free period at the beginning of the lease, in which we have possession of the rental apartments but are not required to pay any cash lease costs, and we use the rent-free period to renovate the rental apartments. This is a common arrangement in our industry. Additionally, we pay a fixed rent to our landlords typically with an approximately 5% annual, non-compounding increase after the first three years of the lease term. Under U.S. GAAP, we are required to record rent-free periods and lease cost escalations on a straight-line basis over the term of the lease. In other words, we are required to record the total of all payments due under the lease evenly over the period of the lease, regardless of what our cash lease cost obligations may be in a particular period.

Selected Operating Data

The table below sets forth our key operating data as of September 30, 2017 and 2018 and June 30, 2018 and 2019:

	As of September 30,		As of June 30,	
	2017	2018	2018	2019
Number of apartments contracted	14,616	29,129	25,472	29,655
Number of available apartments	13,288	25,698	22,394	28,819
Number of rental units contracted	48,410	96,529	83,227	97,621
Number of rental units under renovation	4,211	12,581	8,914	767
Number of available rental units	44,199	83,948	74,313	96,854
Number of occupied rental units	40,890	77,266	68,249	93,331
Number of vacant available rental units	3,309	6,682	6,064	3,523

The table below sets forth the numbers of available rental units as of September 30, 2017 and 2018 and June 30, 2018 and 2019:

	As of September 30,		As of June 30,	
	2017	2018	2018	2019
Shanghai	39,187	58,769	55,167	62,719
Suzhou	3,708	8,377	6,920	10,430
Hangzhou	1,300	10,675	8,522	14,098
Nanjing	4	3,975	2,428	5,551
Wuhan	—	1,840	1,039	3,648
Beijing	—	312	237	408

The table below sets forth our key operating data for FY 2017, FY 2018 and the nine months ended June 30, 2018 and 2019:

			Nine months ended June 30,	
	FY 2017	FY 2018	2018	2019
Gross rental value (RMB in thousands)				
before discount for rental prepayment	570,137	858,257	582,299	847,164
after discount for rental prepayment	508,910	796,940	538,652	792,746
Period-average occupancy rate (%)	89.0	91.6	91.7	90.6
Average monthly rental (RMB)				
before discount for rental prepayment	1,299	1,272	1,279	1,149
after discount for rental prepayment	1,160	1,180	1,183	1,075
Rental spread margin (%)				
before discount for rental prepayment	33.9	30.7	30.7	25.1
after discount for rental prepayment	26.0	25.3	25.1	20.0
Average renovation cost per rental unit (RMB)	20,069	19,783	19,667	14,747

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion together with our consolidated financial statements and the related notes included elsewhere in this prospectus. This discussion contains forward-looking statements about our business and operations. Our actual results may differ materially from those we currently anticipate as a result of many factors, including those we describe under "Risk Factors" and elsewhere in this prospectus. See "Special Note Regarding Forward-Looking Statements."

Overview

We are a leading technology-driven long-term apartment rental platform in China, offering young, emerging urban residents conveniently-located, ready-to-move-in, and affordable branded apartments as well as facilitating a variety of value-added services. We are one of the pioneers in providing branded rental apartments in China. Under our dispersed lease-and-operate model, we lease apartments from landlords and transform these apartments, mostly from bare-bones condition, into standardized furnished rooms to lease to people seeking affordable residence in cities, following an efficient, technology-driven business process. We grew significantly at 114.4% CAGR from 940 available rental units in Shanghai as of December 31, 2012, the year when we started substantial operation, to 91,234 available rental units across six cities in China as of December 31, 2018. We achieved average month-end occupancy rates of 91.6% and 92.4% in 2017 and 2018, respectively, the highest among major dispersed long-term apartment rental brands in China, according to China Insights Consultancy.

We strategically focus on sourcing apartments under the dispersed model in relatively inexpensive yet convenient locations, typically near subway stations, to provide our tenants value for money. We do not own our rental apartments but lease them from our landlords under long-term leases. Our leases with landlords usually provide for a minimum term of five to six years, or lease-in contract lock-in period, and can be extended for up to two to three years. As of December 31, 2018, our average lease-in contract lock-in period was 63.3 months, the longest among major dispersed long-term apartment rental operators in China, according to China Insights Consultancy. We generally lock in our lease-in cost for the first three years, with an approximately 5% annual, non-compounding increase for the rest of the lease term. During the lease-in contract lock-in period, neither landlords nor us may terminate the lease without paying a penalty equal to the rentals for the remaining lease-in contract lock-in period. For leases with landlords entered into in April 2019 or after, if the monthly rentals (after discount for rental prepayment) that we receive from tenants are lower than our monthly rental to landlords for six consecutive months, we have the right to renegotiate for a lower monthly rental to landlords or terminate the relevant leases with landlords. We typically convert a leased-in apartment to add an additional bedroom, or the N+1 model, and rent each bedroom separately to individual tenants after standardized decoration and furnishing. Each of our rental apartments typically has three rental units. Our leases with tenants typically have a contracted lease term of 26 months. In the nine months ended June 30, 2019, the average lock-in period of our terminated leases with tenants was 11.7 months, and 68.3% of these leases with tenants had a lock-in period of 12 months or more. In the same period, 47.3% of our terminated leases with tenants were terminated before the expiration of the applicable lock-in period. If a tenant chooses to terminate the lease during the lock-in period, except for termination during the first week of the lease, the tenant's security deposit will be forfeited. After the lock-in period, the tenant may terminate the lease anytime without penalty. In 2018, tenants, on average, stayed in our rental units for 8.5 months, the longest among major dispersed long-term apartment rental operators in China, according to China Insights Consultancy. In the nine months ended June 30, 2019, tenants on average stayed in our rental units for 7.7 months.

We apply technology in every step of our operational process from apartment sourcing, renovation, and tenant acquisition, to property management. This enables us to operate a large, dispersed and fast-growing portfolio of apartments with high operational efficiency, delivering superior user experience. Our focus on technologies has enabled us to operate efficiently and grow rapidly while maintaining quality control.

We cooperate with third parties, including professional home service providers, e-commerce companies and other service providers to facilitate a wide array of value-added services for our tenants. These include broadband internet and utilities. In addition, we recently launched Qingke Select, a membership-based new retail platform. These initiatives cater to tenants' lifestyle demand and help them live more conveniently and comfortably. This, in turn, helps improve our brand loyalty and revenue per tenant. Revenue from value-added services and others as a percentage of our net revenues increased from 2.6% in FY 2017 to 10.4% in FY 2018, and further to 11.7% in the nine months ended June 30, 2019.

We also cooperate with financial institutions to facilitate rental installment loans for our tenants in need. Our tenants can, but are not obligated to, apply for rental installment loans from our cooperative partners to prepay rental for certain lease period and enjoy rental discount for the rental prepayment. Approved loan proceeds covering up to 24 months' rentals are transferred to our account at the inception of the lease. We typically pay the monthly interest on the rental installment loans to our financial institution partners for our tenants, and provide guarantee. We may also provide additional credit enhancement in the form of security deposits, usually no more than 5% of the total outstanding loan balance with the relevant financial institutions, with respect to our tenants' repayment of the loans. When a lease is terminated, either by the tenant or by us, we are typically required to return, in a lump sum, the outstanding portion of the rental installment loan. The amount represents the rental for the remaining lease term (net of the discount for rental prepayment) and we are required to deposit it into the tenant's designated account at the financial institution partner within a prescribed period of time, ranging from 0 to 31 days after the termination, which will then be immediately deducted by the financial institution partner from such account. The proceeds from rental installment loans have helped us finance our capital expenditure on decorating and furnishing newly sourced apartments. As of June 30, 2019, we cooperated with 11 financial institutions to finance rental installment loans, and the rental payment of 65.2% of our occupied rental units had been financed by these rental installment loans.

As a result of our efficient and scalable business model, we have achieved rapid growth. In FY 2017 and FY 2018, we recorded net revenues of RMB522.7 million and RMB889.9 million (US$129.6 million), respectively, with a year-over-year growth of 70.3%. In the nine months ended June 30, 2018 and 2019, we recorded net revenues of RMB593.0 million and RMB897.9 million (US$130.8 million), respectively, with a period-over-period growth of 51.4%. In FY 2017 and FY 2018, our net loss was RMB245.4 million and RMB499.9 million (US$72.8 million), respectively, our EBITDA was negative RMB92.9 million and negative RMB268.1 million (US$39.0 million), respectively, and our adjusted EBITDA was negative RMB64.2 million and negative RMB221.3 million (US$32.2 million), respectively. In the nine months ended June 30, 2018 and 2019, our net loss was RMB323.6 million and RMB373.2 million (US$54.4 million), respectively, our EBITDA was negative RMB161.6 million and negative RMB146.1 million (US$21.3 million), respectively, and our adjusted EBITDA was negative RMB162.2 million and negative RMB147.9 million (US$21.5 million), respectively.

Key Factors Affecting Our Results of Operations

General Factors Affecting Our Results of Operations

Our results of operations are subject to general economic conditions and conditions affecting China's real estate industry, in particular the apartment rental industry, which include, among others:

Changes in the National, Regional or Local Economic Conditions and Outlook in China

We target young people including recent college graduates, entry level white collar workers and industry workers in cities with strong economic growth, net inflow of people, rapid urban development and favorable policies supporting the development of the apartment rental market. Our occupancy levels and rental rates mainly depend on the demands from our target population in our target markets. Changes in national, regional or local economic conditions in China, including urbanization rates and employment rates in our target markets may materially affect demand for our apartments and services, and as a result, our business, financial condition and results of operations.

Our costs and expenses may also be affected by China's inflation level. We may not be able to pass on increased costs to our tenants.

Government Policies and Regulations in China

Our business and results of operations can be significantly affected by PRC laws, regulations and policies, particularly those relating to the real estate industry. We have benefited in recent periods from certain favorable policies for the apartment rental industry, including:

- stringent home-buying requirements in top tier cities in China, which have made it more difficult to purchase apartments, particularly for our target customers; and
- favorable policies to incentivize and support the growth of the apartment rental sector.

The PRC laws, regulations and policies concerning the apartment rental industry are developing and evolving. New laws, regulations and policies may increase our compliance cost, and require adjustments to our business model. For additional information, please refer to "Regulations—Regulations Relating to Residential Tenancy" and "—Regulations Relating to Leasing."

The Competitive Landscape of China's Long-Term Apartment Rental Market

China's long-term apartment rental market is highly competitive. Our competitors include other branded apartment operators and apartment owners who rent their apartments to tenants directly or through real estate agencies. In addition, in response to increased cooling measures on housing sales, real estate developers may also pivot into standardized rental market.

Specific Factors Affecting Our Results of Operations

Our results of operations are also affected by company-specific factors, including, among others:

- Our ability to expand our apartment network;
- Our ability to maintain and increase occupancy level and rental rate;
- Our ability to control operating costs and expenses and improve operational efficiency;
- Our ability to manage upfront capital outlay and expansion cost; and
- Seasonality.

Our Ability to Expand Our Apartment Network

Our growth is impacted by our ability to expand our apartment network. We strategically select apartments in relatively inexpensive yet convenient locations, typically near subway stations in metropolitan areas. These locations provide tenants with convenient access to an entire city, including major business districts and commercial centers, and hence have strong demand potential and ample room for rental increase. Our ability to identify and source apartments that meet our strategic and financial return criteria is, in turn, impacted by, among others, the availability of, and competition for, our target apartments, as well as the efficiency of our sourcing staff.

As we expand the geographic coverage of our apartment network, we believe we will benefit from enhanced brand recognition and economies of scale. For example, as we expand and our reputation grows, an increasing number of landlords no longer require us to pay security deposits. We are also able to bulk purchase directly from manufacturers at competitive prices as we scale up.

Our Ability to Maintain and Increase Occupancy Level and Rental Rate

Our rental service revenues are affected by our occupancy level and rental rates. Our occupancy level mainly depends on the locations of our rental units, affordability of our rentals, including rental discounts and other promotions we offer, and the effectiveness of our sales and marketing efforts. In addition, as we expand into new geographic regions, it takes time to ramp up the occupancy rate to our target levels. Leveraging our standardized and replicable sourcing and pricing systems, we were able to reduce the ramp-up time as we expand to other cities. For example, it took us eight months to ramp up the month-end occupancy rate in Hangzhou to above 90%, while it took us only four months to ramp up the month-end occupancy rate to above 90% when we expanded to Wuhan subsequently.

Our rental rate is primarily affected by the supply and demand dynamics in the rental markets where we operate. We apply Smart Pricing System to price our apartments through an automated, dynamic process, which takes into account data points including rent-in cost, decoration cost, historical transaction data (e.g., price and occupancy rate), demand seasonality, our target occupancy rates, and market prices for nearby apartments in similar conditions.

Our Ability to Control Operating Costs and Expenses and Improve Operational Efficiency

Rental cost represents our largest operating costs and expenses. We typically lock in our rental cost for the first three years, with approximately 5% annual, non-compounding increase for the rest of the lease term.

We also incur substantial operating expenses, including those for apartment sourcing, marketing, leasing, after-lease maintenance and research and development. In addition, as we expand into new regions, we incur substantial upfront operating expenses for market research, establishing logistics and supply chain and other supporting functions, and building our brand name. We have been improving, and intend to continue to improve, our operational efficiency through our end-to-end, technology-driven operational and management systems. For example, when we expand into a new city, our Smart Pricing System is replicable with some adjustments in parameters, enabling faster expansion at a lower cost. In terms of apartment renovation, our project management system enables modularization, standardization and digitization of the renovation process, which allows us to efficiently manage a fast-growing number of suppliers and contractors and streamline our decoration and renovation process. Each of our construction managers managed on average 159.9 rental units under construction in the nine months ended June 30, 2019, compared to 152.8 in FY 2018 and 122.2 in FY 2017. We conduct the majority of our marketing and leasing processes and handle after-rent services and property maintenance requests online, which helps to improve efficiency. The average number of rental units managed by each of our apartment managers increased from 74.8 in FY 2017 to 79.6 in FY 2018, and further to 114.5 in the nine months ended June 30, 2019.

Our Ability to Manage Upfront Capital Outlay and Expansion Cost

We utilize a lease-and-operate model. Under this model, we incur substantial capital outlay, including for apartment sourcing, renovation, and prepayment of a few months' rentals to landlords. We finance our capital outlay primarily from tenants' rental prepayments. Tenants who prepay at least six months' rental can enjoy a 5% rental discount, and tenants who prepay at least 12 months' rental can enjoy a 10% rental discount (subject certain limits) for the lock-in period. Our rental service revenues are net of these discounts. In addition, we pay interest on rental installment loans for our tenants. Our results of operations, therefore, are significantly affected by our ability to finance the capital outlay for our expansion economically, reducing our reliance on tenant's rental prepayment. In August 2018, we started to cooperate with a rental service company owned by a bank for apartment sourcing and renovation. Under this model for certain newly sourced apartments, we continue to be responsible for the entire operating process, including identifying potential apartments for rent, rental pricing and procuring and paying for apartment renovation. Once we have finished the renovation, the rental service company reimburses us for our costs incurred for the renovation. We make payments to the rental service

company in installments equal to the reimbursed renovation costs plus interest and tax over a period of five years. At the end of the five-year period, the ownership of the renovation will be transferred to us. Under this arrangement, we also sell leasehold improvements and furniture, fixtures and equipment of certain existing apartments to the rental service company at carrying value and simultaneously lease them back. The model has provided us with a stable source of lower-cost capital to finance apartment sourcing and renovation, compared to the tenant rental prepayment model.

Since February 2019, we have started to source decorated and furnished apartments from landlords thus compared to sourcing bare-bones apartments, substantially reducing our upfront capital outlay for apartment renovation, while still adding an additional bedroom.

Seasonality

Our operating results have been, and may continue to be subject to, seasonality. Our occupancy and revenues were generally higher during the three months ended September 30 of each year, as many students search for apartments in cities where they are employed after graduation. In addition, during and around the Chinese New Year holidays, which usually fall in January or February, people are less likely to move into new apartments or stay in rented apartments. As a result, our occupancy and revenues were generally lower for the three months ended March 31 of each year, despite the rebound in March from higher demand as labor forces come back to cities in search of jobs after the Chinese New Year.

Key Operating Metrics

We regularly review a number of operating metrics to evaluate our business, measure our performance, identify trends affecting our business, establish budgets, measure the effectiveness of sales and marketing, and assess our operational efficiencies.

The table below sets forth our key operating data as of September 30, 2017 and 2018 and June 30, 2018 and 2019:

	As of September 30,		As of June 30,	
	2017	2018	2018	2019
Number of apartments contracted	14,616	29,129	25,472	29,655
Number of available apartments	13,288	25,698	22,394	28,819
Number of rental units contracted	48,410	96,529	83,227	97,621
Number of rental units under renovation	4,211	12,581	8,914	767
Number of available rental units	44,199	83,948	74,313	96,854
Number of occupied rental units	40,890	77,266	68,249	93,331
Number of vacant available rental units	3,309	6,682	6,064	3,523

The table below sets forth the numbers of available rental units as of September 30, 2017 and 2018 and June 30, 2018 and 2019:

	As of September 30,		As of June 30,	
	2017	2018	2018	2019
Shanghai	39,187	58,769	55,167	62,719
Suzhou	3,708	8,377	6,920	10,430
Hangzhou	1,300	10,675	8,522	14,098
Nanjing	4	3,975	2,428	5,551
Wuhan	—	1,840	1,039	3,648
Beijing	—	312	237	408

The table below sets forth our key operating data for FY 2017, FY 2018 and the nine months ended June 30, 2018 and 2019:

			Nine months ended June 30,	
	FY 2017	FY 2018	2018	2019
Gross rental value (RMB in thousands)				
before discount for rental prepayment	570,137	858,257	582,299	847,164
after discount for rental prepayment	508,910	796,940	538,652	792,746
Period-average occupancy rate (%)	89.0	91.6	91.7	90.6
Average monthly rental (RMB)				
before discount for rental prepayment	1,299	1,272	1,279	1,149
after discount for rental prepayment	1,160	1,180	1,183	1,075
Rental spread margin (%)				
before discount for rental prepayment	33.9	30.7	30.7	25.1
after discount for rental prepayment	26.0	25.3	25.1	20.0
Average renovation cost per rental unit (RMB)	20,069	19,783	19,667	14,747

Gross Rental Value, Numbers of Apartments and Rental Units Contracted, Numbers of Available Apartments and Rental Units, and Number of Occupied Rental Units

Gross rental value, number of apartments contracted and number of rental units contracted, number of available apartments and number of available rental units are important operating measures by which we evaluate and manage the scale of our business and growth. Gross rental value after discount for rental prepayment refers to the total rental we receive from our tenants for a period, net of value-added tax. Gross rental value before discount for rental prepayment refers to the total rental we receive from our tenants for a period, net of value-added tax, after adding back any discount for rental prepayment.

Our gross rental value before discount for rental prepayment is affected by the number of our available rental units, occupancy rate, and rental rates. Our gross rental value after discount for rental prepayment is further affected by the rental prepayment discount we grant to tenants, which is in turn affected by our financing strategies. Our gross rental value both before and after discount for rental prepayment increased from FY 2017 to FY 2018, primarily as a result of the increase in the number of our available rental units, as we continued to expand our apartment network, in particular, in Shanghai, Hangzhou, and Suzhou, as well as the increase in our occupancy rate. Our gross rental value both before and after discount for rental prepayment increased from the nine months ended June 30, 2018 to the nine months ended June 30, 2019, primarily as a result of the increase in the number of our available rental units, as we continue to expand our apartment network in existing cities, in particular, in Shanghai, Hangzhou, and Suzhou.

Our apartments contracted refer to apartments that we have leased in from landlords. Our number of apartments contracted increased by 99.4% from September 30, 2017 to September 30, 2018, mainly due to the expansion of our apartment network in existing cities, in particular, in Shanghai, Hangzhou and Suzhou and to other cities including Wuhan and Beijing. Our number of apartments contracted increased by 16.4% from June 30, 2018 to June 30, 2019, mainly due to the expansion of our apartment network in existing cities, in particular, in Shanghai, Hangzhou and Suzhou. Our number of available apartments refers to the number of our leased-in apartments that have been renovated and ventilated and are ready for rent. Apartments in China usually have two to three bedrooms, which are suitable for a household, but could be too costly for individual tenants. We typically convert a leased-in apartment to add an additional bedroom, or the N+1 Model, and rent each bedroom, or rental unit, separately to individual tenants after standardized decoration and furnishing. The N+1 model further increases affordability and provides flexibilities and co-rental efficiency for tenants.

Our occupied rental units refer to available rental units that have been leased out to tenants. Our number of occupied rental units increased by 89.0% from September 30, 2017 to September 30, 2018 and by 36.8% from

June 30, 2018 to June 30, 2019, generally in line with the increase in the number of our available rental units. Our number of occupied rental units was lower than our number of rental units contracted because (i) a number of our rental units contracted were under renovation as we continued to expand our apartment network, including to new cities, in which case we may need longer lead time on renovation (for example, as we need to develop new local supply chain) and (ii) some of our available rental units were vacant, as it takes time to ramp up our occupancy rate to our target levels as we expanded to new geographic regions.

Period-average Occupancy Rate, Average Monthly Rental, and Rental Spread Margin

Our period-average occupancy rate is calculated by dividing the aggregate number of our leased-out rental unit nights by the aggregate number of available rental unit nights during a relevant period. Our period-average occupancy rate increased from 89.0% in FY 2017 to 91.6% in FY 2018 as we continued to improve our operating efficiency and service to tenants. Our period-average occupancy rate decreased from 91.7% in the nine months ended June 30, 2018 to 90.6% in the nine months ended June 30, 2019 as a large number of rental units were in ramp-up period.

Our average monthly rental after discount for rental prepayment refers to our gross rental value after discount for rental prepayment, divided by number of leased-out rental unit nights for the relevant period times 30.5 (which represents the average number of days in a month). Our average monthly rental before discount for rental prepayment refers to gross rental value before discount for rental prepayment divided by number of leased-out rental unit nights for the relevant period times 30.5 (which represents the average number of days in a month). Our rental spread margin after discount for rental prepayment refers to the rental spread after discount for rental prepayment as a percentage of the average monthly rental after discount for rental prepayment on a lease to a tenant on the same space. Our rental spread margin before discount for rental prepayment refers to the rental spread before discount for rental prepayment as a percentage of the average monthly rental before discount for rental prepayment on a lease to a tenant on the same space. Our leases with landlords generally contain rent holidays and typically lock in our rental cost for the first three years, with approximately 5% annual, non-compounding increase for the rest of the lease term, and we record the total rental expense on a straight-line basis over the initial lease term, or monthly straight-lined rental. We use big data to establish a fair and efficient rental pricing mechanism.

Our average monthly rental before discount for rental prepayment decreased from RMB1,299 in FY 2017 to RMB1,272 (US$185) in FY 2018 as we expanded to more remote areas in cities where the average monthly rentals before discount for rental prepayment are lower. Our average monthly rental after discount for rental prepayment increased from RMB1,160 in FY 2017 to RMB1,180 (US$172) in FY 2018 as a smaller percentage of the rental payment for our rental units were financed by rental installment loans in FY 2018. Our average monthly rental before discount for rental prepayment decreased from RMB1,279 in the nine months ended June 30, 2018 to RMB1,149 (US$167) in the nine months ended June 30, 2019, and our average monthly rental after discount for rental prepayment decreased from RMB1,183 in the nine months ended June 30, 2018 to RMB1,075 (US$157) in the nine months ended June 30, 2019, as (i) we expanded to more remote areas in cities where the average monthly rentals were lower, and (ii) we proactively lowered our rental slightly to keep a comparatively high occupancy rate in 2019.

Our rental spread margin before discount for rental prepayment decreased from 33.9% in FY 2017 to 30.7% in FY 2018, and our rental spread margin after discount for rental prepayment decreased from 26.0% in FY 2017 to 25.3% in FY 2018, as a large number of rental units were in ramp-up period. Our rental spread margin before discount for rental prepayment decreased from 30.7% in the nine months ended June 30, 2018 to 25.1% in the nine months ended June 30, 2019, and our rental spread margin after discount for rental prepayment decreased from 25.1% in the nine months ended June 30, 2018 to 20.0% in the nine months ended June 30, 2019, as a large number of rental units were in ramp-up period and we proactively lowered our rental slightly to keep a comparatively high occupancy rate in 2019.

Average Renovation Cost Per Rental Unit

Our average renovation cost per rental unit refers to the average renovation cost of rental units that we lease in from landlords in the relevant fiscal year. Our renovation cost includes labor cost for renovation and cost for home appliances. Our average renovation cost per rental units decreased by 1.4% from FY 2017 to FY 2018 due to economies of scale and optimization of our standardized renovation process. Our average renovation cost per rental units decreased by 25.0% from the nine months ended June 30, 2018 to the nine months ended June 30, 2019 due to economies of scale particularly as we further leveraged operation in our existing cities.

Components of Results of Operations

Net Revenues

Our net revenues primarily consist of rental service revenues, and revenue from various types of fees we charge our tenants for some of our value-added services. Our revenues are net of value-added tax. The following table sets forth a breakdown of our net revenues.

	FY 2017		FY 2018			Nine months ended June 30, 2018		Nine months ended June 30, 2019		
	RMB	% of total net revenues	RMB	US$	% of total net revenues	RMB	% of total net revenues	RMB	US$	% of total net revenues
	(in thousands, except for percentages)									
Net revenues:										
Rental service	508,910	97.4	796,940	116,087	89.6	538,652	90.8	792,746	115,476	88.3
Value-added services and others	13,827	2.6	92,997	13,547	10.4	54,372	9.2	105,192	15,323	11.7
Total net revenues	**522,737**	**100.0**	**889,937**	**129,643**	**100.0**	**593,024**	**100.0**	**897,938**	**130,799**	**100.0**

Our rental service revenues consist of rents collected under our lease agreements with tenants. Our leases with tenants typically have a contracted lease term of 26 months, and a majority of them have a lock-in period of 12 months. Tenants who prepay at least six months' rental can enjoy a 5% rental discount, and tenants who prepay at least 12 months' rental can enjoy a 10% rental discount (subject to a RMB200.0 (US$29.1) limit per month for the lock-in period after January 1, 2017). Our rental service revenues are net of these discounts.

To a lesser extent, we derive net revenues from various types of fees we charge our tenants for certain value-added and other services, such as broadband internet and utilities. We also receive indemnification payments from landlords and tenants for their termination of lease agreements within the lock-in period. The following table sets forth a breakdown of our net revenues from value-added services and others for the periods indicated.

	FY 2017		FY 2018			Nine months ended June 30, 2018		Nine months ended June 30, 2019		
	RMB	% of revenue from value-added services and others	RMB	US$	% of revenue from value-added services and others	RMB	% of revenue from value-added services and others	RMB	US$	% of revenue from value-added services and others
	(in thousands, except for percentages)									
Broadband internet	6,062	43.8	51,145	7,450	55.0	34,605	63.6	56,242	8,193	53.5
Utility service	—	—	19,411	2,828	20.9	13,481	24.8	20,949	3,052	19.9
Indemnity	7,765	56.2	18,329	2,670	19.7	3,187	5.9	25,197	3,670	24.0
Others	—	—	4,112	599	4.4	3,099	5.7	2,804	408	2.6
Total	**13,827**	**100.0**	**92,997**	**13,547**	**100.0**	**54,372**	**100.0**	**105,192**	**15,323**	**100.0**

Operating Costs and Expenses

Our operating costs and expenses primarily consist of costs and expenses related to operating our network of apartments and rental units. The following table sets forth the components of our operating costs and expenses, both in absolute amount and as a percentage of total revenues for the period indicated.

	FY 2017		FY 2018			Nine months ended June 30, 2018		Nine months ended June 30, 2019		
	RMB	% of total net revenues	RMB	US$	% of total net revenues	RMB	% of total net revenues	RMB	US$	% of total net revenues
	(in thousands, except for percentages)									
Operating costs and expenses:										
Operating cost	547,618	104.8	897,959	130,802	100.9	601,906	101.5	959,080	139,706	106.8
Selling and marketing expenses	42,008	8.0	117,826	17,163	13.2	75,462	12.7	102,111	14,874	11.4
General and administrative expenses	34,353	6.6	84,953	12,375	9.5	57,774	9.7	76,037	11,076	8.5
Research and development expenses	44,160	8.4	51,947	7,567	5.8	38,145	6.4	38,380	5,591	4.3
Pre-operation expenses	19,934	3.8	117,107	17,059	13.2	88,963	15.0	37,066	5,399	4.1
Impairment loss	22,750	4.4	50,614	7,373	5.7	20,554	3.5	33,396	4,865	3.7
Other expense (income), net	1,460	0.3	(4,034)	(588)	(0.5)	(1,129)	(0.1)	(460)	(67)	(0.1)
Total operating costs and expenses	**712,283**	**136.3**	**1,316,372**	**191,751**	**147.9**	**881,675**	**148.7**	**1,245,610**	**181,444**	**138.7**

Operating Cost

Our operating cost includes rental cost, depreciation, personnel costs incurred by apartment managers in providing after-rent services, cleaning cost, utilities cost, broadband internet cost and others. Rental cost

represents our rental expenses incurred after our leased-in rental units are renovated and decorated and available for rent to tenants. Depreciation is primarily associated with our capitalized renovation incurred when we convert and furnish our leased-in apartments for rent to tenants. We recognize depreciation with our leasehold improvements and other capital expenditures using a straight-line method over the shorter of expected useful lives or lease term. Personnel costs incurred by apartment managers in providing after-rent services are primarily associated with management and inspection of rental units and regular communication with tenants. Personnel costs incurred by apartment managers in providing before-rent services, such as accompanying potential tenants to visit our apartments and negotiating lease agreements with tenants, are recorded in selling and marketing expenses. Personnel costs are allocated according to the time apartment managers spend. The following table sets forth our operating cost in absolute amount and as a percentage of net revenue for the periods indicated.

	FY 2017		FY 2018			Nine months ended June 30, 2018		Nine months ended June 30, 2019		
	RMB	% of total net revenues	RMB	US$	% of total net revenues	RMB	% of total net revenues	RMB	US$	% of total net revenues
	(in thousands, except for percentages)									
Rental cost	414,217	79.2	664,732	96,829	74.7	443,474	74.8	719,362	104,787	80.1
Depreciation expenses	97,595	18.7	145,768	21,233	16.4	98,336	16.6	156,602	22,812	17.4
Personnel cost	15,511	3.0	21,092	3,072	2.4	16,486	2.8	16,442	2,395	1.8
Cleaning cost	10,218	2.0	14,861	2,165	1.7	9,826	1.7	17,363	2,529	1.9
Utility cost	—	—	14,116	2,056	1.6	9,562	1.6	15,377	2,240	1.7
Broadband internet cost	3,266	0.6	28,236	4,113	3.2	19,189	3.2	27,992	4,077	3.1
Others	6,811	1.3	9,154	1,333	0.9	5,033	0.8	5,942	866	0.8
Total	**547,618**	**104.8**	**897,959**	**130,802**	**100.9**	**601,906**	**101.5**	**959,080**	**139,706**	**106.8**

Selling and Marketing Expenses

Selling and marketing expenses primarily include personnel costs incurred by apartment managers in providing before-rent services as described above, as well as advertising and promotion costs.

General and Administrative Expenses

Our general and administrative expenses consist primarily of personnel costs, transportation costs, consulting expenses, headquarter office rental expenses, general office expenses and other costs associated with running our day to day activities.

Research and Development Expenses

Research and development expenses include payroll expenses, employee benefits, and other headcount-related expenses associated with platform development and big data analysis to support our business operations.

Pre-operation Expenses

Pre-operation expenses mainly include rental and sourcing costs incurred before an apartment is ready for lease.

Impairment Loss

We perform an assessment of the carrying value of leasehold improvements and furniture, fixtures and equipment used in each rental unit at least on a quarterly basis. If the carrying amount of the assets exceeds its expected undiscounted cash flows, we will recognize an impairment loss equal to the difference between the carrying amount and the fair value. We estimate the fair value of each rental unit by utilizing the discounted cash flow method, taking into consideration the projected revenue, growth rates and operating costs associated with the rental unit.

Interest Income (Expense), Net

Interest expense primarily consists of interest on rental installment loans we pay for our tenants, interest on our bank borrowings, and interest on capital lease and other financing arrangement. The following table sets forth a breakdown of our interest income (expense), net for the periods indicated.

	FY 2017		FY 2018			Nine months ended June 30, 2018		Nine months ended June 30, 2019		
	RMB	% of interest income (expense), net	RMB	US$	% of interest income (expense), net	RMB	% of interest income (expense), net	RMB	US$	% of interest income (expense), net
	(in thousands, except for percentages)									
Interest on bank borrowings	(5,687)	11.3	(2,930)	(428)	3.8	(2,755)	4.9	(2,957)	(431)	4.4
Interest on rental installment loans	(41,389)	82.6	(73,936)	(10,770)	95.9	(52,547)	94.0	(54,473)	(7,935)	80.2
Interest on capital lease and other financing arrangement	(3,276)	6.5	(2,893)	(421)	3.7	(2,166)	3.9	(11,332)	(1,651)	16.7
Interest income	216	(0.4)	2,592	378	(3.4)	1,572	(2.8)	857	125	(1.3)
Other	—	—	—	—	—	—	—	(2)	(0.1)	0.0
Total	**(50,136)**	**100.0**	**(77,167)**	**(11,241)**	**100.0**	**(55,896)**	**100.0**	**(67,907)**	**(9,892)**	**100.0**

Non-GAAP Financial Measures

We use EBITDA and adjusted EBITDA, non-GAAP financial measures, as supplemental measures in evaluating and assessing our operating results.

EBITDA represents our net loss before (i) interest income (expense), net, (ii) income tax, and (iii) depreciation and amortization. Adjusted EBITDA represents our net loss before (i) interest income (expense), net, (ii) income tax expense, (iii) depreciation and amortization, (iv) impairment loss, (v) fair value change of contingent earn-out liabilities, and (vi) share-based compensation.

We believe that EBITDA and adjusted EBITDA help identify underlying trends in our business that could otherwise be distorted by the effect of certain expenses that we include in net loss. For example, we excluded the impact of fair value change of contingent earn-out liabilities. We recorded such contingent earn-out liabilities related to the EBITDA feature of series C and series C-1 preferred shares at fair value and re-measured it at each period-end, with the changes in the fair value recorded as an adjustment to the earnings. However, if we successfully complete a qualified IPO by December 31, 2019, the contingent earn-out liability will be extinguished.

EBITDA and adjusted EBITDA should not be considered in isolation or construed as alternatives to net loss or any other measure of performance or as an indicator of our operating performance. Investors are encouraged to review our EBITDA and adjusted EBITDA to the most directly comparable GAAP measure, net loss. EBITDA and adjusted EBITDA presented here may not be comparable to similarly titled measure presented by other companies. In addition, EBITDA and adjusted EBITDA have certain limitations as an analytical tool. One of the key limitations of using EBITDA and adjusted EBITDA is that they does not reflect all items of income and expense that affect our operations.

The table below sets forth a reconciliation of our net loss to EBITDA and adjusted EBITDA for the periods indicated:

	FY 2017		FY 2018			Nine months ended June 30, 2018		2019		
	RMB	% of total net revenues	RMB	US$	% of total net revenues	RMB	% of total net revenues	RMB	US$	% of total net revenues
	(in thousands, except for percentages)									
Net Loss	(245,440)	(47.0)	(499,922)	(72,822)	(56.2)	(323,616)	(54.6)	(373,201)	(54,364)	(41.6)
Add/(less):										
Interest income (expense), net	50,136	9.6	77,167	11,241	8.7	55,896	9.4	67,907	9,892	7.6
Income tax expense	596	0.1	2,393	349	0.3	2,376	0.4	40	6	0.0
Depreciation and amortization	101,786	19.5	152,311	22,187	17.1	103,736	17.5	159,180	23,187	17.7
EBITDA	(92,922)	(17.8)	(268,051)	(39,045)	(30.1)	(161,608)	(27.3)	(146,074)	(21,279)	(16.3)
Add:										
Impairment loss	22,750	4.4	50,614	7,373	5.7	20,554	3.5	33,396	4,865	3.7
Fair value change of contingent earn-out liabilities(1)	5,165	1.0	(6,164)	(898)	(0.7)	(23,398)	(3.9)	(43,378)	(6,319)	(4.8)
Share-based compensation	775	0.1	2,252	328	0.3	2,252	0.4	8,173	1,191	0.9
Adjusted EBITDA(2)	(64,232)	(12.3)	(221,349)	(32,242)	(24.8)	(162,200)	(27.3)	(147,883)	(21,542)	(16.5)

(1) related to our contingent earn-out liabilities to series C and C-1 preferred shareholders.

(2) includes lease cost of RMB40,252 thousand, RMB192,878 thousand (US$28,096 thousand), RMB133,031 thousand, and RMB44,615 thousand (US$6,499 thousand) in FY 2017, FY 2018 and the nine months ended June 30, 2018 and June 30, 2019, respectively, for which we record, but do not pay, rent in the current period. Such rent is a current operating cost and we will pay such rent in future periods.
Our landlords typically offer a 90-160-day rent-free period at the beginning of the lease, in which we have possession of the rental apartments but are not required to pay any cash lease costs, and we use the rent-free period to renovate the rental apartments. This is a common arrangement in our industry. Additionally, we pay a fixed rent to our landlords typically with an approximately 5% annual, non-compounding increase after the first three years of the lease term. Under U.S. GAAP, we are required to record rent-free periods and lease cost escalations on a straight-line basis over the term of the lease. In other words, we are required to record the total of all payments due under the lease evenly over the period of the lease, regardless of what our cash lease cost obligations may be in a particular period.

Critical Accounting Policies, Judgments and Estimates

We have identified below the accounting policies that we believe are the most critical to the presentation of our consolidated financial information. These accounting policies require subjective or complex judgments by our management, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. The estimates and assumptions are based on our historical experience and various other factors that we believe are reasonable under the circumstances, the results of which form the basis of making judgments about

matters that are not readily apparent from other sources. We review our estimates and underlying assumptions on an on-going basis. For further information on our principal accounting policies, see note 2 beginning on pages F-10 and F-48 of our consolidated financial statements included elsewhere in this prospectus.

Revenue Recognition

We source apartments from landlords and convert them into standardized furnished rooms to lease to tenants seeking affordable residences in China. Revenues are primarily derived from rental service and value-added services.

Rental Service Revenues

Rental service revenues are primarily derived from the lease payments from our tenants and are recorded net of tax.

We typically enter into 26-month leases with our tenants, a majority of which have a lock-in period of 12 months or shorter. The lock-in period represents the term during which termination will result in the forfeiture of deposit, which is typically one or two months' rent. We determine that the lock-in period is the lease term under ASC 840. When tenants terminate their leases, we return unused portions of any prepaid rentals to the tenant within a prescribed period of time. Deposit can only be returned for termination after the lock-in period. Monthly rent is fixed throughout the lock-in period and there is no rent-free period or rent escalations during the period. We determine all lease arrangements with tenants are operating leases since the benefits and risks incidental to ownership remains with us. Revenue is recognized on a straight-line basis starting from the commencement date stated in the lease agreements.

Tenants who prepay rent for a certain period are entitled to rental discounts. Tenants who prepay at least six months' rental can enjoy a 5% discount for the lock-in period, and tenants who prepay at least 12 months' rental can enjoy a 10% rental discount for the lock-in period (subject to a RMB200.0 (US$29.1) limit per month after January 1, 2017). Such incentives are only applicable during the lock-in period. We consider the rental discounts as a lease incentive and record it as a reduction in revenue on a straight-line basis over the lease term.

Value-added Services and Others

Value-added services and others primarily consist of fees received from the tenants from our provision of internet connection and utility services as part of the lease agreement. The service fees are fixed in the agreements and recognized on a monthly basis during the period of the lease term. The service fee are recognized on a gross basis as we have latitude in determining prices and bear inventory risks.

Rental Installment Loans

In order to encourage our tenants to make advance payments, we cooperate with various financial institution partners to facilitate rental installment loans for our tenants, who apply for rental installment loans directly with these financial institutions. If the loans are approved by the financial institution partners, the proceeds, which represent the total rental payments for the period covered under the lease agreement, are remitted to us by way of the tenant's entrustment. The proceeds would then be applied to the tenants' rental payments on a monthly basis. We record the entire prepayment as rental installment loans. Tenants repay the loan principal in monthly installments directly to the financial institutions which equals to the monthly rental payment. We pay rental installment loan interests on behalf of tenants and recognize interest expense in the consolidated statements of comprehensive loss.

We also provide guarantee to these financial institutions with respect to our tenants' repayment of the loans. In the event that the tenants default on the repayment or early terminate the lease agreements, we must return the

remaining prepayments to the financial institutions within a prescribed period of time. Under the rental installment loan scheme, we have full control of the entire installment loan proceeds and the security deposits collected from the tenants at lease inception are usually sufficient to cover for the delinquent payments from default. As such, we determine that there should be no guarantee liabilities to be recorded as of September 30, 2017 or 2018, or as of June 30, 2019.

For rental installment loans received directly from financial institutions, we determine the substance of the arrangement as akin to a debt from our tenants, and as such, this portion was classified as a cash inflow from financing activities within our statements of cash flows. During the lease term, constructive receipts and disbursements are recognized on a monthly basis by recognizing the repayment of rental installment loans as a financing cash outflow and the receipt of monthly rental income as an operating cash inflow.

Impairment Loss

Property and equipment are reviewed for impairment in accordance with ASC 360, "Accounting for the Impairment or Disposal of Long-Lived Assets", whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. We evaluate the carrying value of our long-lived assets for impairment by comparing the expected undiscounted future cash flows of the assets to the net book value of the assets if certain trigger events occur. Assets must be tested at the lowest level, generally the individual apartment, for which identifiable cash flows exist. If the expected undiscounted future cash flows are less than the net book value of the assets, the excess of the net book value over the estimated fair value is charged to in the consolidated statements of comprehensive loss. Fair value is based upon discounted cash flows of the assets at a rate deemed reasonable for the type of asset and prevailing market conditions. The discounted cash flow associated with the underlying assets incorporates certain assumptions including projected rooms' revenue, growth rates and projected operating costs based on current economic condition, expectation of management and projected trends of current operating results. As a result of reduced expectations of future cash flows from certain leased apartments, we determined that the property and equipment was not fully recoverable and consequently recorded an impairment charge of RMB22.8 million and RMB50.6 million (US$7.4 million) for FY 2017 and FY 2018, respectively. For the nine months ended June 30, 2019, we recorded an impairment charge of RMB33.4 million (US$4.9 million).

Income Taxes

Current income taxes are provided on the basis of net profit (loss) for financial reporting purposes, adjusted for income and expenses which are not assessable or deductible for income tax purposes, in accordance with the laws of the relevant tax jurisdictions.

Deferred income taxes are provided using assets and liabilities method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

Deferred tax assets are recognized to the extent that these assets are more likely than not to be realized. In making such a determination, the management considers all positive and negative evidence, including future reversals of projected future taxable income and results of recent operation.

In order to assess uncertain tax positions, we apply 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. We recognize interest and penalties, if any, under accrued expenses and other current liabilities on its consolidated balance sheet and under other expenses in its consolidated statement of comprehensive loss. We did not have any significant unrecognized uncertain tax positions as of and for FY 2017 or FY 2018, or for nine months ended June 30, 2019.

Fair Value of Ordinary Shares

We have been a private company with no quoted market prices for our ordinary shares. We therefore needed to make estimates of the fair value of our ordinary shares for the purpose of determining the fair value of our ordinary shares at the date of the grant of share-based compensation awards to our employees as one of the inputs into determining the grant date fair value of the award. In determining the fair value of our ordinary shares, we have considered the guidance prescribed by the American Institute of Certified Public Accountants Audit and Accounting Practice Aid Series: Valuation of Privately-Held-Company Equity Securities Issued as Compensation, or the AICPA Practice Guide. These estimates will not be necessary to determine the fair value of our ordinary shares once our ADSs begin trading. Valuations and estimates will no longer be necessary once our company goes public because we will then rely on the market price to determine the market value of our common stock.

The following table sets forth the fair value of our ordinary shares at different times with the assistance from an independent third-party appraiser:

Date	Fair value per share (US$)	DLOM	Discount rate	Purpose of valuation
April 21, 2016	0.03	13%	26%	To determine the fair value of stock option grant
October 17, 2016	0.04	13%	26%	To determine the fair value of stock option grant
March 16, 2017	0.04	12%	22%	To determine the fair value of RSU grant
July 31, 2017	0.05	12%	22%	To determine the fair value of stock option grant and whether the series C convertible redeemable preferred shares contain any beneficial conversion feature
November 12, 2017	0.06	10%	21%	To determine the fair value of RSU grant
March 29, 2018	0.10	8%	19%	To determine whether the series C-1 convertible redeemable preferred shares contain any beneficial conversion feature
April 1, 2018	0.10	8%	19%	To determine the fair value of RSU grant
June 3, 2019	0.22	5%	17%	To determine whether the series C-2 convertible redeemable preferred shares contain any beneficial conversion feature

The determination of the fair value of our ordinary shares requires complex and subjective judgments to be made regarding our projected financial and operating results, our unique business risks, the liquidity of our shares and our operating history and prospects at the time of valuation.

In determining our equity value, we applied the discounted cash flow analysis based on our projected cash flow using our best estimate as of the valuation date. The major assumptions used in calculating the fair value of our equity include:

- Discount Rates. The discount rates listed out in the table above were based on the weighted average cost of capital, which was determined based on a number of factors including risk-free rate, company specific risk premium, equity risk premium, company size and non-systemic risk factors.
- Discount for Lack of Marketability, or DLOM. DLOM was quantified by the Black Scholes model. This model estimates a DLOM as a function of restricted transferability, using the value of an average-strike put option. This option pricing method is one of the methods commonly used in estimating

DLOM as it takes into consideration factors like timing of a liquidity event, such as an initial public offering, and estimated volatility of our shares. The further the valuation date is from an expected liquidity event, the higher the put option value and thus the higher the implied DLOM. The lower the DLOM used for the valuation, the higher the determined fair value of the ordinary shares.

Fair Value of Options

We used the Binomial model to estimate the fair value of the options granted on the grant date with assistance from an independent valuation firm. The fair value per option was estimated at the date of grant using the following assumptions.

	April 2016	October 2016	July 2017
Risk-free rate of return(1)	3.18%	3.18%	3.21%
Contractual life of option	10 years	10 years	8.4 years
Estimated volatility rate(2)	37%	37%	35%
Expected dividend yield	0%	0%	0%
Fair value of underlying ordinary shares	US$0.03	US$0.04	US$0.05

(1) The risk-free rate is based on the yield of US Treasuries, adjusted by country risk premium of China.
(2) The expected volatility is estimated based on historical price volatilities of ordinary shares of several comparable companies.

Share-Based Compensation

The costs of share based payments are recognized in our consolidated financial statements based on their grant-date fair value over the vesting. We determine fair value of our share options as of the grant date using binomial option pricing model and the fair value of our nonvested restricted share units as of the grant date based on the fair market value of the underlying ordinary shares. Determining the value of our share-based compensation expense in future periods also requires the input of subjective assumptions around likely future performance and estimated forfeitures of the underlying shares.

Stock Options A

On August 31, 2014, April 21, 2016, October 17, 2016 and October 18, 2016, we granted an aggregate number of 26.9 million share options to certain management, employees and non-employees, 1.0 million of which were forfeited in 2019. The exercise price was RMB2.00 per share and vests 50% on the first and second calendar year after the IPO year.

Stock Options B

On July 31, 2017, we granted 43.1 million share options to management and employees, 0.4 million of which were forfeited in 2019. The options vested immediately upon the grant date and the exercise price were RMB2.00 per share. If the grantee resigned before the IPO or before the lock-up period lapsed, we have the right to repurchase the share options or ordinary shares at RMB2.00 per share option/ordinary share.

The compensation expenses for above awards with performance as well as service conditions is based upon our judgment of likely future performance and service and may be adjusted in future periods depending on actual performance. Given the vesting was contingent on the IPO, no share-based compensation expense is recognized until the date of the IPO.

We estimate our forfeitures based on past employee retention rates, our expectations of future retention rates, and we will prospectively revise our forfeiture rates based on actual history. We estimate our future performance based on our historical results. Our compensation charges may change based on changes to our assumptions.

Restricted Share Units ("RSUs")

In 2017, we issued 15.99 million RSUs to a consulting company, out of which 5.2 million RSUs vested immediately upon grant and the remaining 10.79 million RSUs were re-purchasable by us anytime at our discretion with nominal price before certain dates. We determined that RSUs with repurchase rights are not considered issued until the expiration of the repurchase rights. At each of the expiration dates, the corresponding RSUs are considered issued and vested immediately, and a measurement date has been reached. In July 2019, we repurchased 5.19 million RSUs.

Contingent Earn-out Liabilities

EBITDA Performance Targets for Series C and C-1 Convertible Redeemable Preferred Shares

Along with the issuance of series C, C-1 and C-2 convertible redeemable preferred shares, we contemporaneously entered into agreements with our holders of series C, C-1 and C-2 convertible redeemable preferred shares on July 26, 2017 and March 16, 2018 and in 2019, respectively, pursuant to which for all share issuances, an EBITDA performance target were established. If EBITDA targets were exceeded, the preferred shareholders must give back a portion of its shareholding based on a pre-agreed formula to our managers as incentives with no additional consideration. If expected EBITDA targets were not met, the preferred shareholders were entitled to additional shareholding at par value based on a pre-agreed formula to make up for the dissatisfaction in EBITDA targets. If we are successful in completing a qualified IPO by December 31, 2019, the EBITDA feature is fully waived.

We believed that it was highly probable EBITDA targets will not be satisfied and recorded the fair value of the EBITDA feature separately as a contingent earn-out liability in the consolidated balance sheets as it met the definition of a freestanding financial instrument liability under ASC 480. At initial measurement, we allocated the proceeds from the issuance of series C, C-1 and C-2 convertible redeemable preferred shares to the fair value of contingent earn-out liabilities, with the remaining being allocated to series C, C-1 and C-2 convertible redeemable preferred shares. Contingent earn-out liabilities will be extinguished, if we are successful in completing a qualified IPO by December 31, 2019.

We determine the fair value with the help from third party professional valuation specialists, and the assumptions used in estimating fair value require significant judgment. The use of different assumptions and judgments could result in a materially different estimate of fair value. Key inputs in determining the fair value of the contingent earn-out liabilities include assumptions such as operating income, operating cost, number of new apartments acquired, probabilities of a qualified IPO, etc., and changes in these assumptions would affect the number and value of future additional shares to be issued. The contingent earn-out liabilities is re-measured at each period-end, with the changes in the fair value recorded in the consolidated statements of comprehensive loss.

Taxation

Cayman Islands

We are incorporated in the Cayman Islands. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax. The Cayman Islands does not impose a withholding tax on payments of dividends to shareholders.

The British Virgin Islands

Our subsidiary incorporated in the British Virgin Islands is not subject to income or capital gains taxes, estate duty, inheritance tax or gift tax. In addition, payment of dividends to the shareholders of our subsidiary in the British Virgin Islands are not subject to withholding tax in the British Virgin Islands.

Hong Kong

Before April 1, 2018, our subsidiary incorporated in Hong Kong was subject to Hong Kong profit tax at a rate of 16.5%. Since April 1, 2018, our subsidiary incorporated in Hong Kong has been subject to Hong Kong profit tax at a rate of 8.25% on assessable profits up to HK$2.0 million and 16.5% on any part of assessable profits over HK$2.0 million. There is an anti-fragmentation measure where each group will have to nominate only one company in the group to benefit from the progressive rates. No Hong Kong profit tax has been levied as we did not have assessable profit that was earned in or derived from the Hong Kong subsidiary during the periods presented. Hong Kong does not impose a withholding tax on dividends.

China

Generally, our PRC subsidiaries, variable interest entity and subsidiaries of our variable interest entity, which are considered PRC resident enterprises under PRC tax law, are subject to enterprise income tax on their worldwide taxable income as determined under PRC tax laws and accounting standards at a rate of 25%.

We are subject to value-added tax, or VAT, at a rate of 6% on the services we provide, less any deductible VAT we have already paid or borne. We are also subject to surcharges on VAT payments in accordance with PRC law. VAT has been phased in since May 2012 to replace the business tax that was previously applicable to the services we provide. During the periods presented, we were not subject to business tax on the services we provide.

Dividends paid by our wholly foreign-owned subsidiary in China to our intermediary holding company in Hong Kong will be subject to a withholding tax rate of 10%, unless the relevant Hong Kong entity satisfies all the requirements under the Arrangement between Mainland 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 and receives approval from the relevant tax authority. If our Hong Kong subsidiary satisfies all the requirements under the tax arrangement and receives approval from the relevant tax authority, then the dividends paid to the Hong Kong subsidiary would be subject to withholding tax at the standard rate of 5%. See “Risk Factors—Risks Related to Doing Business in China—We rely on dividends and other distributions on equity paid by our PRC subsidiary to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiary to make payments to us could have a material adverse effect on our ability to conduct our business.”

If our holding company in the Cayman Islands or any of our subsidiaries outside of China were deemed to be a “resident enterprise” under the PRC Enterprise Income Tax Law, it would be subject to enterprise income tax on its worldwide income at a rate of 25%. See “Risk Factors—Risks Related to Doing Business in China—If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or ADS holders.”

Results of Operations

The following table sets forth a summary of our consolidated results of operations for the periods indicated, both in absolute amount and as a percentage of our net revenues. This information should be read together with our consolidated financial statements and related notes included elsewhere in this prospectus. The operating results in any period are not necessarily indicative of the results that may be expected for any future period.

	FY 2017		FY 2018			Nine months ended June 30, 2018		Nine months ended June 30, 2019		
	RMB	% of total net revenues	RMB	US$	% of total net revenues	RMB	% of total net revenues	RMB	US$	% of total net revenues
	(in thousands, except for percentages)									
Net revenues:										
Rental service revenue	508,910	97.4	796,940	116,087	89.6	538,652	90.8	792,746	115,476	88.3
Value-added services and others	13,827	2.6	92,997	13,547	10.4	54,372	9.2	105,192	15,323	11.7
Total net revenues	522,737	100.0	889,937	129,634	100.0	593,024	100.0	897,938	130,799	100.0
Operating costs and expenses:										
Operating cost	(547,618)	(104.8)	(897,959)	(130,802)	(100.9)	(601,906)	(101.5)	(959,080)	(139,706)	(106.8)
Selling and marketing expenses	(42,008)	(8.0)	(117,826)	(17,163)	(13.2)	(75,462)	(12.7)	(102,111)	(14,874)	(11.4)
General and administrative expenses	(34,353)	(6.6)	(84,953)	(12,375)	(9.5)	(57,774)	(9.7)	(76,037)	(11,076)	(8.5)
Research and development expenses	(44,160)	(8.4)	(51,947)	(7,567)	(5.8)	(38,145)	(6.4)	(38,380)	(5,591)	(4.3)
Pre-operation expenses	(19,934)	(3.8)	(117,107)	(17,059)	(13.2)	(88,963)	(15.0)	(37,066)	(5,399)	(4.1)
Impairment loss	(22,750)	(4.4)	(50,614)	(7,373)	(5.7)	(20,554)	(3.5)	(33,396)	(4,865)	(3.7)
Other income (expense), net	(1,460)	(0.3)	4,034	588	0.5	1,129	0.2	460	67	0.1
Total operating costs and expenses	(712,283)	(136.3)	(1,316,372)	(191,751)	(147.9)	(881,675)	(148.7)	(1,245,610)	(181,444)	(138.7)
Loss from operation	(189,546)	(36.3)	(426,435)	(62,117)	(47.9)	(288,651)	(48.7)	(347,672)	(50,645)	(38.7)
Interest income (expense), net	(50,136)	(9.6)	(77,167)	(11,241)	(8.7)	(55,896)	(9.4)	(67,907)	(9,892)	(7.6)
Foreign exchange gain (loss)	3	—	(91)	(13)	—	(91)	(0.0)	(960)	(140)	(0.1)
Fair value change of contingent earn-out liabilities	(5,165)	(1.0)	6,164	898	0.7	23,398	3.9	43,378	6,319	4.8
Loss before income taxes	(244,844)	(46.8)	(497,529)	(72,473)	(55.9)	(321,240)	(54.2)	(373,161)	(54,358)	(41.6)
Income tax expense	(596)	(0.1)	(2,393)	(349)	(0.3)	(2,376)	(0.4)	(40)	(6)	(0.0)
Net loss	(245,440)	(47.0)	(499,922)	(72,822)	(56.2)	(323,616)	(54.6)	(373,201)	(54,364)	(41.6)

Nine Months Ended June 30, 2019 Compared to Nine Months Ended June 30, 2018

Net Revenues

Our net revenues increased by 51.4% from RMB593.0 million for the nine months ended June 30, 2018 to RMB897.9 million (US$130.8 million) for the nine months ended June 30, 2019. Our rental service revenues

increased by 47.2% from RMB538.7 million for the nine months ended June 30, 2018 to RMB792.7 million (US$115.5 million) for the nine months ended June 30, 2019, driven by an increase in our number of leased-out rental unit nights, partially offset by a decrease in average monthly rental after discount for rental prepayment from RMB1,183 for the nine months ended June 30, 2018 to RMB1,075 (US$157) for the nine months ended June 30, 2019.

Our net revenues from value-added services and others increased by 93.5% from RMB54.4 million for the nine months ended June 30, 2018 to RMB105.2 million (US$15.3 million) for the nine months ended June 30, 2019, driven by (i) an increase in the revenues from broadband internet and utility service from RMB34.6 million and RMB13.5 million for the nine months ended June 30, 2018, respectively, to RMB56.2 million (US$8.2 million) and RMB20.9 million (US$3.1 million) for the nine months ended June 30, 2019, respectively, which are in line with the increase in our number of leased-out rental unit nights, and (ii) an increase in the revenue from indemnity, as an increased number of tenants and landlords terminated their leases with us before the expiration of the lock-in period and we forfeited their deposits or received compensation from them for such termination.

Operating Costs and Expenses

Our operating costs and expenses increased by 41.3% from RMB881.7 million for the nine months ended June 30, 2018 to RMB1,245.6 million (US$181.4 million) for the nine months ended June 30, 2019. The increase in our operating costs and expenses was generally in line with our revenue growth and business expansion.

- *Operating cost.* Our operating cost increased by 59.3% from RMB601.9 million for the nine months ended June 30, 2018 to RMB959.1 million (US$139.7 million) for the nine months ended June 30, 2019.
  - *Rental cost.* Our rental cost increased by 62.2% from RMB443.5 million for the nine months ended June 30, 2018 to RMB719.4 million (US$104.8 million) for the nine months ended June 30, 2019. This was primarily attributable to the increase in our number of available rental unit nights as we continued to expand our apartment network.

    Our rental cost as a percentage of rental service revenue increased from 82.3% for the nine months ended June 30, 2018 to 90.7% for the nine months ended June 30, 2019, primarily due to a large number of new rental units being in ramp-up period, which generated lower rental spread margin and had lower occupancy, and as we proactively lowered our rental slightly to keep a comparatively high occupancy rate in 2019.
  - *Depreciation expenses.* Our depreciation expenses increased by 59.3% from RMB98.3 million for the nine months ended June 30, 2018 to RMB156.6 million (US$22.8 million) for the nine months ended June 30, 2019, primarily attributable to the increase in our number of available rental unit nights as we continued to expand our apartment network.
  - *Personnel costs related to after-rent activities of our apartment managers*. Our personnel costs incurred by apartment managers in providing after-rent services slightly decreased from RMB16.5 million for the nine months ended June 30, 2018 to RMB16.4 million (US$2.4 million) for the nine months ended June 30, 2019 as we developed fewer new rental units and optimized our labor efficiency.
  - *Costs for value-added services and others.* Our cleaning cost, utility cost, broadband internet cost and other cost increased from RMB43.6 million for the nine months ended June 30, 2018 to RMB66.7 million (US$9.7 million) for the nine months ended June 30, 2019. This increase was primarily in relation to the growth of our internet access and utility services in the nine months ended June 30, 2019.
- *Selling and marketing expenses.* Our selling and marketing expenses increased by 35.3% from RMB75.5 million for the nine months ended June 30, 2018 to RMB102.1 million (US$14.9 million) for

the nine months ended June 30, 2019. The increase was primarily attributable to the expansion of our business to new areas of our existing cities, which resulted in an increase in personnel costs and advertising and promotion expenses as we expand our local team and build our brand name. Our personnel costs under selling and marketing expenses increased by 47.9% from RMB39.4 million for the nine months ended June 30, 2018 to RMB58.2 million (US$8.5 million) for the nine months ended June 30, 2019. Our advertising and promotion expenses increased by 44.1% from RMB22.8 million for the nine months ended June 30, 2018 to RMB32.9 million (US$4.8 million) for the nine months ended June 30, 2019.

Our selling and marketing expenses as a percentage of total net revenues decreased from 12.7% for the nine months ended June 30, 2018 to 11.4% for the nine months ended June 30, 2019 as due to economies of scale particularly as we further leveraged operation in our existing cities.

- *General and administrative expenses.* Our general and administrative expenses increased by 31.6% from RMB57.8 million for the nine months ended June 30, 2018 to RMB76.0 million (US$11.1 million) for the nine months ended June 30, 2019. The increase was primarily attributable to an increase in our personnel costs, partially offset by a decrease in our office rents. Our personnel costs under general and administrative expenses increased by 76.7% from RMB23.7 million for the nine months ended June 30, 2018 to RMB41.9 million (US$6.1 million) for the nine months ended June 30, 2019 as we increased our investment in additional personnel in preparation for expanding our business. Our office rents decreased by 31.7% from RMB10.7 million for the nine months ended June 30, 2018 to RMB7.3 million (US$1.1 million) for the nine months ended June 30, 2019 as we optimized the usage of our office space and terminated our leases of some of our office space in Shanghai in the nine months ended June 30, 2019.

  Our general and administrative expenses as a percentage of total net revenues decreased from 9.7% for the nine months ended June 30, 2018 to 8.5% for the nine months ended June 30, 2019 as due to economies of scale particularly as we further leveraged operation in our existing cities.

- *Research and development expenses.* Our research and development expenses slightly increased by 0.6% from RMB38.1 million for the nine months ended June 30, 2018 to RMB38.4 million (US$5.6 million) for the nine months ended June 30, 2019.

- *Pre-operation expenses.* Our pre-operation expenses decreased from RMB89.0 million for the nine months ended June 30, 2018 to RMB37.1 million (US$5.4 million) for the nine months ended June 30, 2019. The decrease was primarily attributable to (i) a decrease in the pre-operation rental cost by 62.2% from RMB70.3 million for the nine months ended June 30, 2018 to RMB26.6 million (US$3.9 million) for the nine months ended June 30, 2019, and (ii) a decrease in the pre-operation personnel cost by 43.8% from RMB18.7 million for the nine months ended June 30, 2018 to RMB10.5 million (US$1.5 million) for the nine months ended June 30, 2019. These decreases were due to fewer new rental units being developed in the nine months ended June 30, 2019.

  Our pre-operation expenses as a percentage of total net revenues decreased from 15.0% for the nine months ended June 30, 2018 to 4.1% for the nine months ended June 30, 2019 as fewer new rental units were developed in the nine months ended June 30, 2019.

- *Impairment loss.* Our impairment loss increased from RMB20.6 million for the nine months ended June 30, 2018 to RMB33.4 million (US$4.9 million) for the nine months ended June 30, 2019 because we made additional impairment provisions mainly due to (i) our business expansion as indicated by the increase in the number of apartments contracted from 25,472 as of June 30, 2018 to 29,655 as of June 30, 2019 and (ii) a decrease in average monthly rental after discount for rental prepayment from RMB1,183 for the nine months ended June 30, 2018 to RMB1,075 (US$156.6) for the nine months ended June 30, 2019.

Loss from Operations

As a result of the foregoing, our loss from operations increased by 20.4% from RMB288.7 million for the nine months ended June 30, 2018 to RMB347.7 million (US$50.6 million) for the nine months ended June 30, 2019.

Interest Income (Expense), Net

Our interest expense increased by 19.7% from RMB57.5 million for the nine months ended June 30, 2018 to RMB68.8 million (US$10.0 million) for the nine months ended June 30, 2019. The increase was primarily attributable to the increase in interest expense we incurred on capital lease and other financing from RMB2.2 million for the nine months ended June 30, 2018 to RMB11.3 million (US$1.7 million) for the nine months ended June 30, 2019 as we started to cooperate with a rental service company under a capital lease and other financing arrangement in August 2018. The increase was also attributable to the increase in the interest expense we incurred for our tenants who used rental installment loans to prepay rentals by 3.7% from RMB52.5 million for the nine months ended June 30, 2018 to RMB54.5 million (US$7.9 million) for the nine months ended June 30, 2019. The increase in such interest expense was, in turn, due to the increase in our monthly average outstanding rental installment loan balance by 3.1% from RMB932.5 million for the nine months ended June 30, 2018 to RMB961.3 million (US$140.0 million) for the nine months ended June 30, 2019.

Our interest income, which primary related to the interest from our bank deposits, decreased from RMB1.6 million for the nine months ended June 30, 2018 to RMB0.9 million (US$0.1 million) for the nine months ended June 30, 2019.

Fair Value Change of Contingent Earn-out Liabilities

We recorded a fair value gain of contingent earn-out liabilities of RMB23.4 million and RMB43.4 million (US$6.3 million) for the nine months ended June 30, 2018 and 2019, respectively. The fair value change of contingent earn-out liabilities mainly relates to our contingent earn-out liabilities to series C and C-1 preferred shareholders.

Loss before Income Taxes

As a result of the foregoing, our loss before income taxes increased by 16.2% from RMB321.2 million for the nine months ended June 30, 2018 to RMB373.2 million (US$54.4 million) for the nine months ended June 30, 2019.

Income Tax Expense

Our income tax expense was RMB2.4 million for the nine months ended June 30, 2018 and RMB40 thousand (US$6 thousand) for the nine months ended June 30, 2019. We incurred income tax expense despite our loss before income tax as certain of our subsidiaries in the PRC had income before taxes and income tax was assessed accordingly on these subsidiaries.

Net Loss

As a result of the foregoing, we recorded a net loss of RMB323.6 million for the nine months ended June 30, 2018 and RMB373.2 million (US$54.4 million) for the nine months ended June 30, 2019.

FY 2018 Compared to FY 2017

Net Revenues

Our net revenues increased by 70.3% from RMB522.7 million in FY 2017 to RMB889.9 million (US$129.6 million) in FY 2018. Our rental service revenues increased by 56.6% from RMB508.9 million in FY 2017 to

RMB796.9 million (US$116.1 million) in FY 2018, driven by (i) a 90.0% increase in our number of available rental units from 44,199 as of September 30, 2017 to 83,948 as of September 30, 2018, and (ii) an increase in our period-average occupancy rate from 89.0% in FY 2017 to 91.6% in FY 2018.

Our net revenues from value-added services and others increased significantly from RMB13.8 million in FY 2017 to RMB93.0 million (US$13.5 million) in FY 2018, as we substantially launched our broadband internet and utility services in August and October 2017, respectively.

Operating Costs and Expenses

Our operating costs and expenses increased by 84.8% from RMB712.3 million in FY 2017 to RMB1,316.4 million (US$191.8 million) in FY 2018. The increase in our operating costs and expenses was generally in line with our revenue growth and business expansion. We substantially increased our presence in Hangzhou and expanded our business to Nanjing and Wuhan, starting from late FY 2017.

- *Operating cost.* Our operating cost increased by 64.0% from RMB547.6 million in FY 2017 to RMB898.0 million (US$130.8 million) in FY 2018.
  - *Rental cost.* Our rental cost increased by 60.5% from RMB414.2 million in FY 2017 to RMB664.7 million (US$96.8 million) in FY 2018. This was primarily attributable to the increase in our number of rental units contracted from 48,410 as of September 30, 2017 to 96,529 as of September 30, 2018 as we continued to expand our apartment network.

    Our rental cost as a percentage of rental service revenue increased from 81.4% in FY 2017 to 83.4% in FY 2018, primarily due to a large number of new rental units in ramp-up period, which generated lower rental spread margin.
  - *Depreciation expenses.* Our depreciation expenses increased by 49.4% from RMB97.6 million in FY 2017 to RMB145.8 million (US$21.2 million) in FY 2018 as we continued to expand our apartment network from 13,288 available apartments as of September 30, 2017 to 25,698 available apartments as of September 30, 2018.
  - *Personnel costs related to after-rent activities of our apartment managers*. Our personnel costs incurred by apartment managers in providing after-rent services increased from RMB15.5 million in FY 2017 to RMB21.1 million (US$3.1 million) in FY 2018. This was primarily attributable to our business expansion.
  - *Costs for value-added services and others.* Our cleaning cost, utility cost, broadband internet cost and other cost increased significantly from RMB20.3 million in FY 2017 to RMB66.4 million (US$9.7 million) in FY 2018. This significant increase was primarily in relation to the growth of our internet access and utility services in FY 2018 which was in line with the increase in the net revenues from value-added services and others.
- *Selling and marketing expenses.* Our selling and marketing expenses increased by 180.5% from RMB42.0 million in FY 2017 to RMB117.8 million (US$17.2 million) in FY 2018. The increase was primarily attributable to the expansion of our business to new cities in FY 2018, which resulted in a significant increase in personnel costs and advertising and promotion expenses as we build our local team and brand name. Our personnel costs under selling and marketing expenses increased by 164.1% from RMB21.7 million in FY 2017 to RMB57.3 million (US$8.3 million) in FY 2018. Our advertising and promotion expenses increased by 239.5% from RMB12.3 million in FY 2017 to RMB41.8 million (US$6.1 million) in FY 2018.

  Our selling and marketing expenses as a percentage of total net revenues increased from 8.0% in FY 2017 to 13.2% in FY 2018 as a result of our upfront investment to build our local team and brand name as we expanded to new cities.

- *General and administrative expenses.* Our general and administrative expenses increased by 147.3% from RMB34.4 million in FY 2017 to RMB85.0 million (US$12.4 million) in FY 2018. The increase was primarily attributable to an increase in our personnel costs and office rents, as we need upfront investment in additional personnel and offices in preparation for expanding our business in new cities. Our personnel costs under general and administrative expenses increased by 195.7% from RMB13.5 million in FY 2017 to RMB39.9 million (US$5.8 million) in FY 2018. Our office rents increased by 142.6% from RMB6.7 million in FY 2017 to RMB16.2 million (US$2.4 million) in FY 2018.

  For the same reason, our general and administrative expenses as a percentage of total net revenues increased from 6.6% in 2017 to 9.5% in FY 2018.

- *Research and development expenses.* Our research and development expenses increased by 17.4% from RMB44.2 million in FY 2017 to RMB51.9 million (US$7.6 million) in FY 2018. The increase was primarily attributable to the increase in our research and development staff costs.

  Our research and development expenses as a percentage of total net revenues decreased from 8.4% in 2017 to 5.8% in FY 2018 as we were able to replicate and leverage our established technology-driven operational and management systems when we expanded to new regions.

- *Pre-operation expenses.* Our pre-operation expenses increased significantly from RMB19.9 million in FY 2017 to RMB117.1 million (US$17.1 million) in FY 2018. The increase was primarily attributable to an increase in our rental expenses incurred during the pre-operation period, which is in line with the increased number of our newly leased-in rental units.

- *Impairment loss.* Our impairment loss increased significantly from RMB22.8 million in FY 2017 to RMB50.6 million (US$7.4 million) in FY 2018 because we made additional impairment provisions in line with our business expansion as indicated by the increase in the number of apartments contracted from 14,616 as of September 30, 2017 to 29,129 as of September 30, 2018.

Loss from Operations

As a result of the foregoing, our loss from operations increased by 125.0% from RMB189.5 million in FY 2017 to RMB426.4 million (US$62.1 million) in FY 2018.

Interest Income (Expense), Net

Our interest expense increased by 58.4% from RMB50.4 million in FY 2017 to RMB79.8 million (US$11.6 million) in FY 2018. The increase was primarily attributable to the increase in the interest expense we incurred for our tenants who used rental installment loans to prepay rentals from RMB41.4 million in FY 2017 to RMB73.9 million (US$10.8 million) in FY 2018. The increase in such interest expense was, in turn, due to the increase in our monthly average outstanding rental installment loan balance from RMB578.6 million in FY 2017 to RMB985.3 million (US$143.5 million) in FY 2018.

Our interest income, which primary related to the interest from our bank deposits, increased significantly from RMB0.2 million in FY 2017 to RMB2.6 million (US$0.4 million) in FY 2018.

Fair Value Change of Contingent Earn-out Liabilities

We recorded a fair value loss of contingent earn-out liabilities of RMB5.2 million in FY 2017 and a fair value gain of contingent earn-out liabilities of RMB6.2 million (US$0.9 million) in FY 2017 and FY 2018, respectively. The fair value change of contingent earn-out liabilities mainly relates to our contingent earn-out liabilities to series C and C-1 preferred shareholders.

Loss before Income Taxes

As a result of the foregoing, our loss before income taxes increased by 103.2% from RMB244.8 million in FY 2017 to RMB497.5 million (US$72.5 million) in FY 2018.

Income Tax Expense

Our income tax expense was RMB0.6 million in FY 2017 and RMB2.4 million (US$0.3 million) in FY 2018. We incurred income tax expense despite our loss before income tax as certain of our subsidiaries in the PRC had income before taxes and income tax was assessed accordingly on these subsidiaries.

Net Loss

As a result of the foregoing, we recorded a net loss of RMB245.4 million in FY 2017 and RMB499.9 million (US$72.8 million) in FY 2018.

Selected Quarterly Results of Operations

The following table sets forth our historical unaudited consolidated selected quarterly results of operations for the periods indicated. You should read the following table in conjunction with our audited and unaudited consolidated financial statements and the related notes included elsewhere in this prospectus. We have prepared this unaudited consolidated selected quarterly financial data on the same basis as we have prepared our audited consolidated financial statements.

	Three months ended								
	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019	June 30, 2019	
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	US$
Net revenues:									
Rental service	141,298	155,863	175,874	206,915	258,288	261,951	263,126	267,669	38,990
Value-added services and others	10,299	16,047	18,334	19,991	38,625	29,268	34,292	41,632	6,064
Total revenue	151,597	171,910	194,208	226,906	296,913	291,219	297,418	309,301	45,055
Operating costs and expenses:									
Operating cost	(152,047)	(170,279)	(191,938)	(239,689)	(296,053)	(315,767)	(316,618)	(326,695)	(47,588)
Selling and marketing expenses	(14,495)	(21,656)	(24,350)	(29,456)	(42,364)	(30,887)	(25,147)	(46,077)	(6,712)
General and administrative expenses	(11,901)	(15,500)	(19,378)	(22,896)	(27,179)	(25,884)	(25,744)	(24,409)	(3,556)
Research and development expenses	(9,181)	(8,623)	(13,406)	(16,116)	(13,802)	(12,216)	(13,817)	(12,347)	(1,799)
Pre-operation expenses	(10,383)	(21,680)	(36,838)	(30,445)	(28,144)	(17,572)	(10,698)	(8,796)	(1,281)
Impairment loss	(1,715)	(8,253)	(6,196)	(6,105)	(30,060)	(12,436)	(8,169)	(12,791)	(1,863)
Other income (expense), net	(605)	520	(288)	897	2,905	229	(406)	637	93
Total operating costs and expenses	(200,327)	(245,471)	(292,394)	(343,810)	(434,697)	(414,533)	(400,599)	(430,478)	(62,706)
Loss from operations	(48,730)	(73,561)	(98,186)	(116,904)	(137,784)	(123,314)	(103,181)	(121,177)	(17,651)
Interest income (expense), net	(17,486)	(18,302)	(18,039)	(19,555)	(21,271)	(21,830)	(22,944)	(23,133)	(3,370)
Foreign exchange gain (loss)	(45)	(29)	(69)	7	—	(356)	(62)	(542)	(79)
Fair value change of contingent earn-out liabilities	(5,165)	(450)	26,148	(2,300)	(17,234)	(9,433)	(20,364)	73,175	10,659
Loss before income taxes	(71,426)	(92,342)	(90,146)	(138,752)	(176,289)	(154,933)	(146,551)	(71,677)	(10,441)
Income tax benefit (expense)	(84)	(983)	(853)	(540)	(17)	(94)	9	45	7
Net Loss	(71,510)	(93,325)	(90,999)	(139,292)	(176,306)	(155,027)	(146,542)	(71,632)	(10,434)
Add/(less):									
Interest income (expense), net	17,486	18,302	18,039	19,555	21,271	21,830	22,944	23,133	3,370
Income tax expense	84	983	853	540	17	94	(9)	(45)	(7)

	Three months ended								
	September 30, 2017	December 31, 2017	March 31, 2018	June 30, 2018	September 30, 2018	December 31, 2018	March 31, 2019	June 30, 2019	
	RMB	RMB	RMB	RMB	RMB	RMB	RMB	RMB	US$
Depreciation and amortization	23,203	29,321	33,732	40,683	48,575	51,476	53,316	54,388	7,923
EBITDA	(30,737)	(44,719)	(38,375)	(78,514)	(106,443)	(81,627)	(70,291)	5,844	852
Add:									
Impairment loss	1,715	8,253	6,196	6,105	30,060	12,436	8,169	12,791	1,863
Fair value changes of contingent earn-out liabilities(1)	5,165	450	(26,148)	2,300	17,234	9,433	20,364	(73,175)	(10,659)
Share-based compensation	—	966	—	1,286	—	3,809	4,364	—	—
Adjusted EBITDA(2)	(23,857)	(35,050)	(58,327)	(68,823)	(59,149)	(55,949)	(37,394)	(54,540)	(7,944)

(1) related to our contingent earn-out liabilities to series C and C-1 preferred shareholders.

(2) Includes lease cost of RMB14,792 thousand, RMB29,949 thousand, RMB47,896 thousand, RMB55,186 thousand, RMB59,846 thousand, RMB30,756 thousand, RMB6,105 thousand and RMB7,754 thousand (US$1,129 thousand) in the three months ended September 30, 2017, December 31, 2017, March 31, 2018, June 30, 2018, September 30, 2018, December 31, 2018, March 31, 2019 and June 30, 2019, respectively, for which we record, but do not pay, rent in the current period. Our landlords typically offer a 90-160-day rent-free period at the beginning of the lease, in which we have possession of the rental apartments but are not required to pay any cash lease costs, and we use the rent-free period to renovate the rental apartments. This is a common arrangement in our industry. Additionally, we pay a fixed rent to our landlords typically with an approximately 5% annual, non-compounding increase after the first three years of the lease term. Under U.S. GAAP, we are required to record rent-free periods and lease cost escalations on a straight-line basis over the term of the lease. In other words, we are required to record the total of all payments due under the lease evenly over the period of the lease, regardless of what our cash lease cost obligations may be in a particular period.

We generally experienced continued growth in our revenue in the eight quarters from July 1, 2017 to June 30, 2019, primarily driven by the continued increase in our number of available rental units although we experienced some fluctuations on a quarterly basis.

Our operating costs and expenses generally increased during these periods, generally in line with our revenue growth and business expansion.

Our quarterly results of operations, including the levels of our revenues, expenses, and net loss may vary significantly due to a variety of factors, some of which are outside of our control. For example, our revenues were generally higher during the three months ended September 30 of each year, as many students search for apartments in the cities where they are employed after graduation from universities. In addition, during and around the Chinese New Year holidays, which usually fall in January or February, our revenues were generally lower than the other period of the year as people are less likely to move into new apartments or stay in rented apartments during and around Chinese New Year holidays. As a result, even though our revenues rebound in March due to higher demand as labor forces come back to cities in search of jobs after the Chinese New Year holidays, our revenues were generally lower during the three months ended March 31 of each year. For these reasons, our results of operations may not be comparable from quarter to quarter. The impact of fluctuation and changes of market conditions was not apparent during our reporting period due to the rapid growth of our business. Due to our limited operating history, the trends that we have experienced in the past may not apply to, or be indicative of, our future operating results.

Liquidity and Capital Resources

Our principal sources of liquidity, which we have used to fund our growth, operations and capital expenditures for our apartments network, have been proceeds from tenants' rental prepayment, including rental prepayment financed by rental installment loans from our financial institution partners, availability under our bank facilities, capital lease and other financing, and equity financing from issuance of preferred shares.

As of June 30, 2019, we had cash and cash equivalents of RMB342.2 million (US$49.8 million), and restricted cash of RMB108.4 million (US$15.8 million). Our cash and cash equivalent represented cash on hand and demand deposits, which are unrestricted as to withdrawal and use, and which have original maturities of three months or less when purchased, and our restricted cash represented our deposits used as security against our bank borrowings and rental installment loans.

We recorded rental installment loan proceeds, which represent our tenants' prepaid rents, as rental installment loans in our consolidated balance sheet. As of June 30, 2019, we had RMB872.6 million (US$127.1 million) in outstanding rental installment loans, with fixed annual interest rates between 4.75% and 8.50%.

In August 2018, we started to cooperate with a rental service company owned by a bank to source and renovate apartments in Shanghai and Hangzhou. Under this model for certain newly sourced apartments, we continue to be responsible for the entire operating process, including identifying potential apartments for rent, rental pricing and procuring and paying for apartment renovation. Once we have finished the renovation, the rental service company reimburses us for our costs incurred for the renovation. We make payments to the rental service company in installments equal to the reimbursed renovation costs plus interest (with a fixed annual interest rate ranging from 6.84% to 8.04%) and tax over a period of five years. At the end of the five-year period, the ownership of the renovation will be transferred to us. We account for the arrangement with the rental service company as a capital lease. Under this arrangement, we also sell leasehold improvements and furniture, fixtures and equipment of certain existing apartments to the rental service company at carrying value and simultaneously lease them back. We account for such transaction as a financing arrangement. The proceeds received from the rental service company are reported as other financing arrangement payable. As of June 30, 2019, our capital lease and other financing arrangement payable to this rental service company was RMB445.9 million (US$65.0 million), representing the principal amount and accrued interest over our renovation costs on 6,862 apartments under this model as of the same date.

As of June 30, 2019, we had RMB303.7 million (US$44.2 million) in our outstanding bank borrowings. As of June 30, 2019, we were in compliance with all material terms and covenants of our credit agreements.

We also raised capital from issuing preferred shares. As of June 30, 2019, we had raised approximately RMB1.1 billion since our inception through the issuance of preferred shares.

Our business requires substantial capital expenditure, and we need to make significant upfront investment for sourcing and renovation of rental apartments, including to add an additional bedroom under our N+1 model, and decorate and furnish them. We have relied on proceeds from our tenants' rental prepayment to finance a significant portion of our capital expenditure. When a tenant terminates the lease before the end of the period covered by his or her rental prepayment, we are required to refund the unused prepaid rentals to the tenant, or repay the rental installment loans representing the unused prepaid rentals to our financial institution partners where the tenant used the proceeds from the rental installment loans granted by such financial institution partners to finance the rental prepayment. In the nine months ended June 30, 2019, 48.3% of our terminated leases with tenants were terminated before the expiration of the lease term covered by the prepayment, including 47.3% terminated before the expiration of the applicable lock-in period (if a tenant terminates the lease before the lock-in period, which is typically 12 months, his or her security deposit, usually representing one or two months' rental will be forfeited).

To manage potential liquidity risk arising from tenants' early termination, we have adopted a stringent cash management policy, which involves monitoring the level of our outstanding rental installment loan on the one hand, and our expenses and other capital requirements and available sources of financing on the other hand on a monthly basis to determine the maximum volume of rental installment loan inflow for the following month. We have also been exploring alternative sources of financing, for example, our partnership with a rental service company owned by a bank since August 2018 to finance apartment renovation under a financing arrangement model, and asset light strategies, including sourcing furnished apartments from landlords to reduce our upfront

capital outlay. We also regularly monitor our current and expected liquidity requirements to ensure that we maintain sufficient cash balances to meet our liquidity needs.

As of September 30, 2017 and 2018 and June 30, 2019, we recorded negative working capital, and our current liabilities exceeded our current assets by RMB631.1 million, RMB1,521.9 million (US$221.7 million) and RMB940.7 million (US$137.0 million), respectively. These factors raise substantial doubt about our ability to continue as a going concern. The financial statements do not include any adjustments that might be necessary if we are unable to continue as a going concern. These factors are mitigated by the following plans and actions: (i) in March 2019, we obtained RMB2.0 billion (US$291.3 million) comprehensive credit facility with a three-year term from a PRC commercial bank to support our operations, of which RMB1.0 billion (US$145.7 million) is for rental installment loans; of the remaining RMB1.0 billion (US$145.7 million) of the above credit facility, RMB450.0 million (US$65.5 million) is contractually restricted for the payment for renovation expenditure and daily operations, and RMB550.0 million (US$80.1 million) for supply chain funding; based on our historical experience, renovation and supply chain funding requests will be approved in the normal course of business, provided that we submit the required supporting documentation and the amount is within the credit limit granted; and (ii) since 2018, we have cooperated with a rental service company owned by a bank to source and renovate apartments under financing arrangements, and (iii) in February 2019, we initiated an asset-light strategy by sourcing decorated and furnished apartments from landlords, which reduced the need for additional capital expenditures for apartment renovation; we consider that these strategies will reduce our needs to use the rental installment loans to fund the pre-operation and renovation costs going forward, which will improve our liquidity situation. Based on the above, we believe our existing capital resources are sufficient to meet our cash requirements to fund planned operations and other commitments for at least the next 12 months.

However, future financing requirements will depend on many factors, including the scale and pace of the expansion of our apartment network, our efficiency in apartment operation, including apartment renovation and pricing, the expansion of our sales and marketing activities, and potential investments in, or acquisitions of, businesses or technologies. Additional funds may not be available on favorable terms or at all. See “Risk Factors—Risk Related to Our Business and Industry—Our business requires significant capital expenditure for sourcing, renovation, and maintenance of rental apartments. Inability to access financing on favorable terms in a timely manner or at all would materially and adversely affect our business, results of operations, financial condition, and growth prospects.”

The following table sets forth a summary of our cash flows for the years indicated:

	FY 2017	FY 2018		Nine months ended June 30, 2018	2019	
	RMB	RMB	US$	RMB	RMB	US$
Net cash used in operating activities	(43,589)	(117,048)	(17,051)	(98,063)	(55,689)	(8,113)
Net cash used in investing activities	(285,518)	(674,298)	(98,223)	(482,311)	(287,707)	(41,909)
Net cash provided by financing activities	649,451	539,528	78,591	514,351	675,386	98,379
Effect of foreign exchange rate changes	(238)	3,455	505	(484)	(121)	(15)
Net increase (decrease) in cash, cash equivalents and restricted cash	320,106	(248,363)	(36,178)	(66,507)	331,869	48,342
Cash, cash equivalents and restricted cash at the beginning of the period	47,009	367,115	53,476	367,115	118,752	17,298
Cash, cash equivalents and restricted cash at the end of the period	367,115	118,752	17,298	300,608	450,621	65,640

Operating Activities

Net cash used in operating activities was RMB55.7 million (US$8.1 million) for the nine months ended June 30, 2019, which was primarily attributable to a net loss of RMB373.2 million (US$54.4 million), partially

offset by non-cash items of RMB209.9 million (US$30.6 million) and a net working capital inflow of RMB107.6 million (US$15.7 million). The non-cash items of RMB209.9 million (US$30.6 million) were primarily attributable to (i) depreciation and amortization of RMB159.2 million (US$23.2 million) in relation to our renovation cost, (ii) deferred rent of RMB37.1 million (US$5.4 million), which represented the amount by which our straight-lined rental costs exceeded our contractual liability under our lease agreements with landlords, and (iii) impairment loss of RMB33.4 million (US$4.9 million). The net working capital inflow of RMB107.6 million (US$15.7 million) was primarily attributable to (i) a decrease in prepaid rent and deposit of RMB38.0 million (US$5.5 million), (ii) an increase in deposits from tenants of RMB31.3 million (US$4.6 million), and (iii) an increase in accounts payable of RMB25.3 (US$3.7 million), partially offset by the decrease in amounts due to related parties of RMB31.9 million (US$4.6 million).

Net cash used in operating activities was RMB117.0 million (US$17.1 million) in FY 2018, which was primarily attributable to a net loss of RMB499.9 million (US$72.8 million), partially offset by non-cash items of RMB392.0 million (US$57.1 million) and a net working capital outflow of RMB9.1 million (US$1.3 million). The non-cash items of RMB392.0 million (US$57.1 million) were primarily attributable to (i) deferred rent of RMB182.3 million (US$26.6 million), which represented the amount by which our straight-lined rental costs exceeded our contractual liability under our lease agreements with landlords, (ii) depreciation and amortization of RMB152.3 million (US$22.2 million) in relation to our renovation cost, and (iii) impairment loss of RMB50.6 million (US$7.4 million). The net working capital outflow of RMB9.1 million (US$1.3 million) was primarily attributable to (i) an increase in prepaid rent and deposit of RMB75.9 million (US$11.1 million), (ii) an increase in other current assets of RMB21.5 million (US$3.1 million), and (iii) an increase in amounts due from related parties of RMB10.0 million (US$1.5 million), partially offset by (i) an increase in accrued expenses and other current liabilities of RMB36.2 million (US$5.3 million), (ii) an increase in deposit from tenants of RMB32.2 million (US$4.7 million), and (iii) an increase in deferred revenue of RMB22.2 million (US$3.2 million), which represented the portion of prepaid rents within the applicable lock-in period, as we expanded our apartment network and increased occupancy rate.

Net cash used in operating activities was RMB43.6 million in FY 2017, which was primarily attributable to a net loss of RMB245.4 million, partially offset by non-cash items of RMB185.2 million and a net working capital inflow of RMB16.7 million. The non-cash items of RMB185.2 million were primarily attributable to (i) depreciation and amortization of RMB101.8 million in relation to our renovation cost, (ii) deferred rent of RMB33.6 million and (iii) impairment loss of RMB22.8 million. The net working capital inflow of RMB16.7 million was primarily attributable to (i) a decrease in other current assets of RMB29.2 million, and (ii) an increase in accrued expenses and other liabilities of RMB27.1 million, partially offset by (i) an increase in advances to suppliers of RMB13.3 million, and (ii) an increase in prepaid rent and deposit of RMB13.0 million.

Investing Activities

Net cash used in investing activities was RMB287.7 million (US$41.9 million) for the nine months ended June 30, 2019, due to our purchases of property and equipment of RMB287.7 million (US$41.9 million).

Net cash used in investing activities was RMB674.3 million (US$98.2 million) in FY 2018, due to our purchases of property and equipment of RMB674.3 million (US$98.2 million).

Net cash used in investing activities was RMB285.5 million in FY 2017, due to our purchases of property and equipment of RMB274.1 million and purchases of intangible assets of RMB11.5 million.

Financing Activities

Net cash provided by financing activities was RMB675.4 million (US$98.4 million) for the nine months ended June 30, 2019. This primarily consisted of (i) proceeds of RMB840.5 million (US$122.4 million) from rental installment loans, (ii) proceeds of RMB530.0 million (US$77.2 million) from issuance of preferred shares,

net of issuance costs, (iii) proceeds of RMB320.5 million (US$46.7 million) from capital lease and other financing arrangement, and (iv) proceeds of RMB200.0 million (US$29.1 million) from long-term and short-term borrowings, partially offset by (i) the repayment of RMB1,081.8 million (US$157.6 million) of rental installment loans, (ii) the repayment of RMB88.6 million (US$12.9 million) of long-term and short-term borrowings, and (iii) the repayment of RMB37.3 million (US$5.4 million) of capital lease and other financing arrangement liabilities.

Net cash provided by financing activities was RMB539.5 million (US$78.6 million) in FY 2018. This primarily consisted of proceeds of RMB1,886.2 million (US$274.8 million) from rental installment loans, and proceeds of RMB185.1 million (US$27.0 million) from issuance of preferred shares, partially offset by (i) the repayment of RMB1,523.1 million (US$221.9 million) of rental installment loans, (ii) RMB108.1 million (US$15.8 million) of repayment of long-term debt and (iii) RMB49.0 million (US$7.1 million) of repayment of short-term debt.

Net cash provided by financing activities was RMB649.5 million in FY 2017. This primarily consisted of proceeds of RMB1,020.9 million from rental installment loans, proceeds of RMB323.0 million from long-term and short-term borrowings, and proceeds of RMB192.3 million from issuance of preferred shares, net of issuance costs, partially offset by (i) the repayment of RMB785.1 million of rental installment loans, (ii) RMB67.0 million of repayment of short-term debt and (iii) RMB37.8 million of repayment of long-term debt.

Rental Installment Loans

We cooperate with various commercial banks and other financial institutions to facilitate rental installment loans for our tenants in need. Our tenants can apply for rental installment loans directly from these financial institutions. If the loans are approved by the financial institutions, the proceeds, which represent the total rental payments for the period covered under the lease agreement, are available to us at the inception of the lease and are applied to the tenants' rental payments on a monthly basis. As of June 30, 2019, we cooperated with 11 financial institutions to finance rental installment loans with annual interest rates between 4.75% and 8.50% and a total outstanding principal balance of RMB872.6 million (US$127.1 million).

Credit Facilities

In the first quarter of 2019, we entered into a strategic cooperation agreement with Shanghai Huarui Bank Co., Ltd., or SHRB, pursuant to which we were granted a three-year revolving credit line of RMB2.0 billion (US$291.3 million). Of this credit line, RMB450.0 million (US$65.5 million) is for decoration, RMB550.0 million (US$80.1 million) for supply chain financing, and RMB1.0 billion (US$145.7 million) for our guarantee on rental installment loans. The credit line is available by February 2022. The interest rate for this credit facility was fixed at 7.5% per annum. As of August 31, 2019, the total outstanding amount under this credit line was RMB662.8 million (US$96.6 million).

Capital Expenditures

Our capital expenditures were primarily in connection with renovation of our leased-in apartments and procurement of technology, information and operational software and hardware. Our capital expenditures totaled RMB275.7 million, RMB1,000.4 million (US$145.7 million), and RMB140.2 million (US$20.4 million) in FY 2017, FY 2018 and the nine months ended June 30, 2019, respectively. We will continue to make capital expenditures to meet the expected growth of our business.

Contractual Obligations and Commercial Commitments

The following table sets forth our contractual obligations as of September 30, 2018:

	Payment due by period				
	Total	Less than 1 year	1-2 years	3-5 years	More than 5 years
	(in RMB thousands)				
Operating lease obligations(1)	6,729,621	947,047	1,823,067	1,800,948	2,158,559
Purchase commitments(2)	76,876	58,925	17,951	—	—
Long-term debts(3)	244,680	86,995	112,577	38,160	6,948
Short-term debts(3)	62,230	62,230	—	—	—
Rental installment loans(4)	1,108,097	1,108,097	—	—	—

(1) related to the lease agreements we have entered into for properties which we operate
(2) related to leasehold improvements and installation of equipment
(3) including interests to be paid
(4) see note 2 beginning on page F-17 of our consolidated financial statements included elsewhere in this prospectus

As of June 30, 2019, we had RMB403.5 million (US$58.8 million) capital lease and other financing arrangement payable which we expect to pay within five years.

Off-Balance Sheet Commitments and Arrangements

We have not entered into any financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as shareholder's equity or that are not reflected in our consolidated financial statements. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engages in leasing, hedging or product development services with us.

Internal Control over Financial Reporting

Prior to this offering, we were a private company with limited accounting personnel and other resources to address our internal controls and procedures. Our independent registered public accounting firm, or our independent accountant, has not conducted an audit of our internal control over financial reporting. However, in connection with the audits of our consolidated financial statements as of September 30, 2017 and 2018 and for FY 2017 and FY 2018, we and our independent accountant identified two "material weaknesses" in our internal control over financial reporting, as defined in the standards established by the Public Company Accounting Oversight Board of the United States, and other control deficiencies. A "material weakness" is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

The material weaknesses identified related to (i) lack of sufficient accounting and financial reporting personnel with appropriate knowledge of U.S. GAAP and SEC reporting requirements to (a) formalize and carry out key controls over financial reporting, (b) properly address complex accounting issues and (c) prepare and review consolidated financial statements and related disclosures in accordance with U.S. GAAP and SEC reporting requirements, and lack of a comprehensive accounting policy manual and closing procedure manual for its finance department to convert its primary financial information prepared under accounting principles generally accepted in the PRC into U.S. GAAP and (ii) absence of audit committee and internal audit function to establish formal risk assessment process and internal control framework.

We are in the process of implementing a number of measures to address the material weaknesses that have been identified, including: hiring additional accounting staff with appropriate understanding of U.S. GAAP and SEC reporting requirements, training the existing financial reporting personnel and engaging an independent third-party consultant to assist in establishing processes and oversight measures to comply with the requirements of Sarbanes-Oxley Act. We also plan to take other steps to strengthen our internal control over financial reporting, including formalizing a set of comprehensive U.S. GAAP accounting manuals, establishing an audit committee, establishing an internal audit function independently led by audit committee, providing relevant training to our accounting personnel and upgrading our financial reporting system to streamline monthly and year-end closings and integrate financial and operating reporting systems.

However, we cannot assure you that we will remediate our material weakness in a timely manner. See "Risk Factors—Risks Related to Our Business and Industry—If we fail to maintain an effective system of internal controls over financial reporting, we may not be able to accurately report our financial results or prevent fraud."

As a company with less than US$1.07 billion in revenue for our last fiscal year, we qualify as an "emerging growth company" pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002, in the assessment of the emerging growth company's internal control over financial reporting.

Quantitative and Qualitative Disclosures about Market Risks

Interest Rate Risk

Our exposure to interest rate risk primarily relates to the interest rates for rental installment loans, capital leases and other financing arrangement, and bank borrowings. The interest rate risk may result from many factors, including government monetary and tax policies, domestic and international economic and political considerations, and other factors that are beyond our control. We may incur additional borrowings or other facilities in the future. Significant increases in interest rates may have an adverse impact on our earnings if we are unable to source rental apartments with rental rates high enough to offset the increase in interest rates for the rental installment loans, capital leases and other financing arrangement, and bank borrowings.

The sensitivity analysis below has been determined based on the exposure to interest rates for interest bearing bank balances and other borrowings with variable interest rates as of September 30, 2018 and June 30, 2019. The analysis is prepared assuming that those balances outstanding as of September 30, 2018 and June 30, 2019 were outstanding for the whole financial year. A 1.0% increase or decrease which represents the management's assessment of the reasonably possible change in interest rates is used. Assuming no change in the outstanding balance of our existing interest bearing bank balances and other borrowings with variable interest rates as of September 30, 2018 and June 30, 2019, a 1.0% increase or decrease in each applicable interest rate would add or deduct RMB11.8 million (US$1.8 million) and RMB9.5 million (US$1.4 million) to our interest expense in FY 2018 and the nine months ended June 30, 2019, respectively.

This analysis does not consider the effects of the reduced level of overall economic activity that could exist in such an environment. In addition, in the event of a change of such magnitude, we would consider taking actions to mitigate our exposure to the change. However, because of the uncertainty of the specific actions that would be taken and their possible effects, the sensitivity analysis assumes no changes in our capital structure. We have not used any derivative financial instruments to manage our interest risk exposure.

Foreign Exchange Risk

The value of Renminbi against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions and the foreign exchange policy adopted by the PRC

government. On July 21, 2005, the PRC government changed its policy of pegging the value of the Renminbi to the U.S. dollar. Following the removal of the U.S. dollar peg, the Renminbi appreciated more than 20% against the U.S. dollar over the following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between the Renminbi and the U.S. dollar remained within a narrow band. Since June 2010, the PRC government has allowed the Renminbi to appreciate slowly against the U.S. dollar again, and it has appreciated more than 10% since June 2010. On August 11, 2015, the PBOC announced plans to improve the central parity rate of the RMB against the U.S. dollar by authorizing market-makers to provide parity to the China Foreign Exchange Trading Center operated by the PBOC with reference to the interbank foreign exchange market closing rate of the previous day, the supply and demand for foreign currencies as well as changes in exchange rates of major international currencies. Effective from October 1, 2016, the International Monetary Fund added Renminbi to its Special Drawing Rights currency basket. Such change and additional future changes may increase the volatility in the trading value of the Renminbi against foreign currencies. The (depreciation) / appreciation of the U.S. dollar against the Renminbi was approximately (0.2)%, 3.2% and 0.04% in FY 2017, FY 2018 and the nine months ended June 30, 2019, respectively. The PRC government may adopt further reforms of its exchange rate system, including making the Renminbi freely convertible in the future. Accordingly, 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.

As substantially all of our revenues and expenses are denominated in Renminbi, we do not believe that we currently have any significant direct foreign exchange risk, and have not used any derivative financial instruments to hedge exposure to such risk. Although our exposure to foreign exchange risks should be limited in general, the value of your investment in our ADSs will be affected by the exchange rate between U.S. dollar and Renminbi because the value of our business is effectively denominated in Renminbi, while our ADSs will be traded in U.S. dollars. In addition, the reporting currency of our company is Renminbi, the functional currency of our company is U.S. dollars, and the functional currency of our subsidiaries is their local currencies, which is Renminbi for our operating subsidiaries. Any significant revaluation of U.S. dollars may materially and adversely affect our earnings and shareholders' deficits in Renminbi given that a portion of our cash and cash equivalents are denominated in U.S. dollars. A 5% depreciation of U.S. dollars against Renminbi may increase loss and shareholders' deficits by RMB0.1 million, RMB2.1 million (US$0.3 million) and RMB15.8 million (US$2.3 million) for FY 2017, FY 2018 and the nine months ended June 30, 2019, respectively.

Holding Company Structure

We are a holding company with no material operations of our own. We conduct our operations primarily through our subsidiary, VIE and VIE's subsidiaries in the PRC. In utilizing the proceeds from this offering, as an offshore holding company, we are permitted, under PRC laws and regulations, to provide funding to our PRC subsidiaries only through loans or capital contributions. Subject to satisfaction of applicable government registration and approval requirements, we may extend inter-company loans to our PRC subsidiaries or make additional capital contributions to our PRC subsidiaries to fund their capital expenditures or working capital. For an increase in the registered capital of any of our PRC subsidiaries, we need to complete certain filing and/or registration procedures with competent authorities, which typically take us one or two months. Some local authorities in the PRC require prior approval before such procedures, according to which we shall file requested documents related to the proposed capital increased on the online integrated registration system. If we provide funding to any of our PRC subsidiaries through loans, the total amount of such loans may not exceed the difference between the total investment as approved by the foreign investment authorities and the registered capital of such PRC subsidiary. Such loans should be registered with the SAFE which usually takes no more than 20 working days to complete. The cost of obtaining such approvals or completing such registration is minimal. We cannot assure you that we will be able to obtain these government registrations or approvals on a timely basis, if at all. See "Risk Factors—Risks Related to Doing Business in China—PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of this offering to make loans to or make additional

capital contributions to our PRC subsidiary which would materially and adversely affect our liquidity and our ability to fund and expand our business."

As a holding company, we rely upon dividends paid to us by our subsidiaries in the PRC to pay dividends and to finance any debt we may incur. If our subsidiaries or other consolidated entities or any newly formed subsidiaries or other consolidated entities 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, our subsidiaries and other consolidated entities are permitted to pay dividends to us only out of their accumulated profits, if any, as determined in accordance with PRC accounting standards and regulations. Pursuant to laws applicable to entities incorporated in the PRC, each of our subsidiaries and other consolidated entities in the PRC must make appropriations from after tax profit to a statutory surplus reserve fund. The reserve fund requires annual appropriation of 10% of after tax profit (as determined under accounting principles generally accepted in the PRC at each year-end) after offsetting accumulated losses from prior years, until such reserve reaches 50% of the subsidiary's registered capital. The reserve fund can only be used to increase the registered capital and eliminate further losses of the respective companies under PRC regulations. As of September 30, 2017 and 2018 and June 30, 2019, we did not incur statutory reserves of our PRC subsidiaries and other consolidated entities as we incurred net loss in FY 2017, FY 2018 and the nine months ended June 30, 2019. These reserves are not distributable as cash dividends, loans or advances. In addition, due to restrictions under PRC laws and regulations, our PRC subsidiaries and other consolidated entities are restricted in their ability to transfer their net assets to us in the form of dividend payments, loans or advances. Amounts of net assets restricted include paid-up capital and statutory reserve funds of our PRC subsidiaries amounted to RMB619.1 million, RMB942.4 million (US$137.3 million) and RMB989.9 million (US$144.2 million) as of September 30, 2017 and 2018 and June 30, 2019, respectively.

Furthermore, under regulations of the SAFE, the RMB is not convertible into foreign currencies for capital account items, such as loans, repatriation of investments and investments outside of China, unless the prior approval of the SAFE is obtained and prior registration with the SAFE is made.

Inflation

Since our inception, inflation in China has not materially affected our results of operations. According to the National Bureau of Statistics of China, the year-over-year percent changes in the consumer price index for December 2017 and 2018 were increases of 1.8% and 1.9%, respectively. Although we have not been materially affected by inflation in the past, we may be affected if China experiences higher rates of inflation in the future.

Impact of Recently Issued Accounting Standards

A list of recently issued accounting pronouncements that are relevant to us is included in Note 2 "Summary of Significant Accounting Policies—Recent accounting pronouncements" to our consolidated financial statements included elsewhere in this prospectus.

INDUSTRY

All information and data presented in this section has been derived from the China Insights Consultancy Report dated June 27, 2019, as updated in September 2019, unless otherwise noted. China Insights Consultancy has advised us that the statistical and graphical information contained herein is drawn from its database and other sources. The following discussion includes projections for future growth, which may not occur at the rates that are projected or at all.

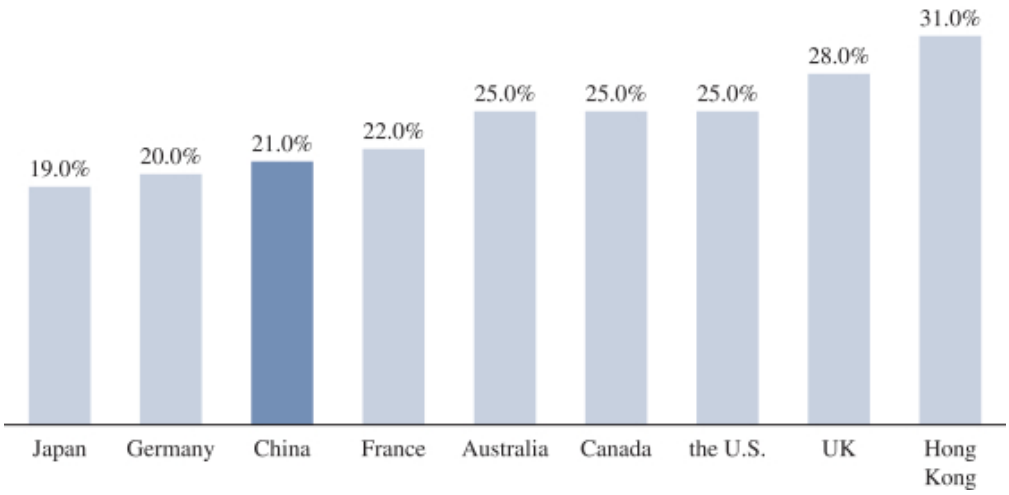
Overview of China's Long-term Apartment Rental Market

Background

China's economy has been growing at a steady rate over the past decade. The annual disposable income per capita in China increased from RMB20,167.0 in 2014 to RMB28,228.0 (US$4,110.1) in 2018, representing a CAGR of 8.8% during this period, and is projected to reach RMB43,747.0 by 2024, achieving a CAGR of 7.6% from 2018 to 2024.

In line with the growth of disposable income, and driven by the high home purchase prices nationwide and increasing demand for rental housing in line with the urbanization in China, monthly rental expense per tenant for long-term apartment rental in China has been increasing in recent years from RMB345.1 in 2014 to RMB523.9 (US$76.3) in 2018 with a CAGR of 11.0%, outpacing the growth of per capita annual disposable income during the same period. In 2018, approximately 80% of tenants in China sought for apartments with monthly rental expenses less than RMB2,000 on average. In 2017, rental expenses in China on average accounted for 21% of disposal income, and the percentage was much higher in tier 1 and tier 2 cities in China. China's rental expense as percentage of disposable income is relatively low compared to developed countries or regions. The chart below shows rental expenses as percentage of disposable income in the countries and region indicated in 2018.

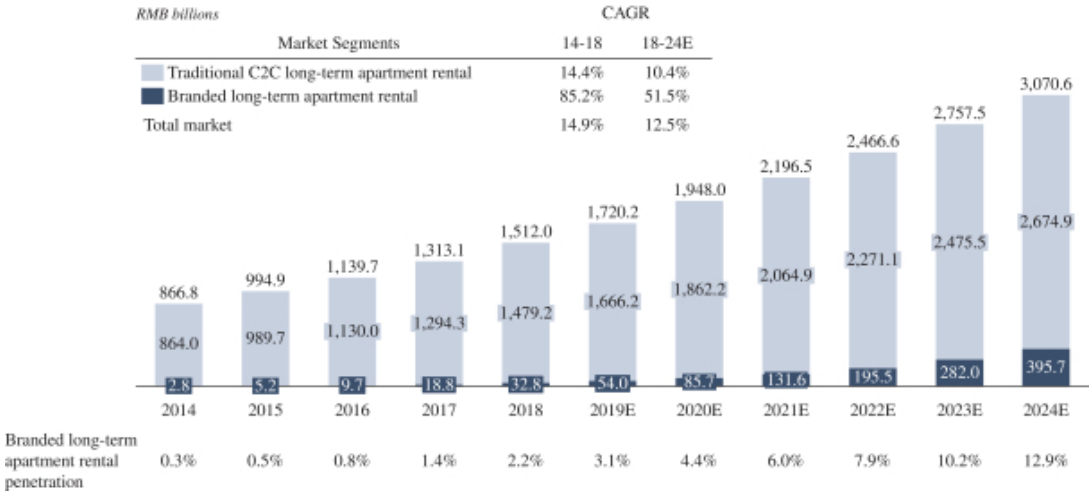
Rental expenses as percentage of disposable income in 2018



Long-term apartment rental refers to apartment rental with a lease term of one month or longer. China's long-term apartment rental market is experiencing rapid growth. The market size, as measured by rents paid by tenants, reached RMB1,512.0 billion (US$220.2 billion) in 2018. This growth is expected to continue and reach RMB3,070.6 billion in 2024 with a CAGR of 12.5% from 2018 to 2024.

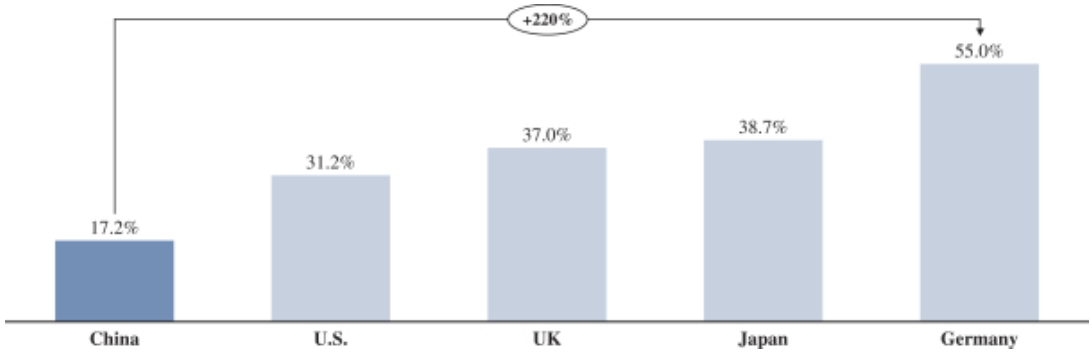
The chart below shows the breakdown of China's long-term apartment rental market by rental business model.

China's long-term apartment rental market breakdown by business model, in terms of rent paid by tenants, 2014-2024E



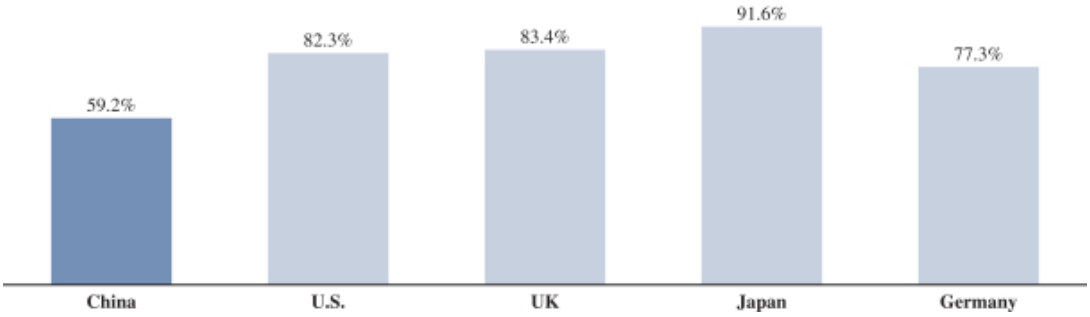
Despite its rapid growth, China's long-term rental market is still under-penetrated compared to developed countries. In developed countries such as Germany and Japan, the long-term rental penetration rate, referring to the number of long-term rental tenants as a percentage of the total population, accounted for 55.0% and 38.7% of the total population, respectively, as of December 31, 2018. The penetration rate of long-term rental tenants in China, however, was only 17.2% as of December 31, 2018, which suggests a huge growth potential.

Penetration of long-term rental tenants, developed countries vs. China, as of December 31, 2018



In addition, China's urbanization rate in 2018 was still lower than these developed countries. The chart below shows urbanization rates in China and other countries in 2018.

Urbanization rates in China and other developed countries in 2018



Key Drivers of China's Long-term Apartment Rental Market

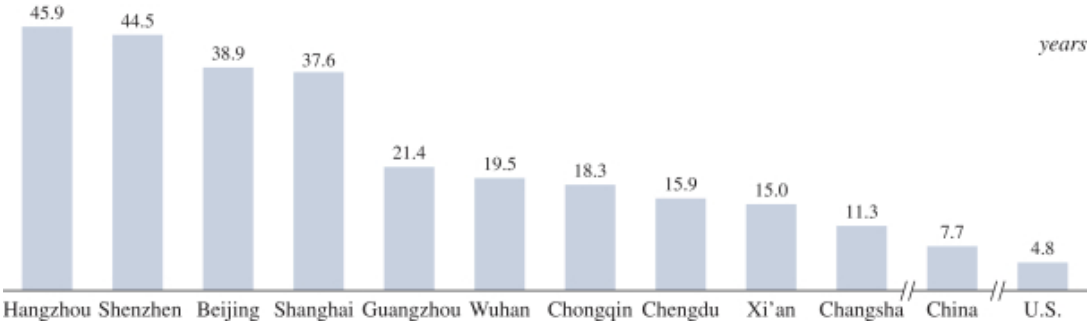
Increase in the Number of Long-term Rental Tenants

As of December 31, 2014, there were 209.3 million long-term rental tenants in China, which increased to 240.5 million as of December 31, 2018, with a CAGR of 3.5%. This trend is expected to continue, with the number of long-term rental tenants in China reaching 287.0 million as of December 31, 2024, with a CAGR of 3.0% from 2018 to 2024.

The increase in the number of long-term rental tenants in China was mainly attributable to:

- the continuing urbanization trend in China, resulting in an increase in the number of young-to-middle aged migrants moving from rural areas to cities;
- changes in the mindset of Chinese people, which results in an increasing preference for rental over home ownership for greater flexibility and convenience; and
- the relatively high housing price-to-income ratio in China, especially in tier 1 and leading tier 2 cities, compared to the price-to-income ratio in developed countries such as the United States. This indicates that the housing price in China is unaffordable and therefore, apartment rental is a more economical way of living in China.

Average housing price-to-income ratio, China vs. the United States in 2018



Note: average housing price-to-income ratio = average housing price per square meter × average living space per person / annual per capita disposable income

Favorable Policies Supporting Long-term Apartment Rental

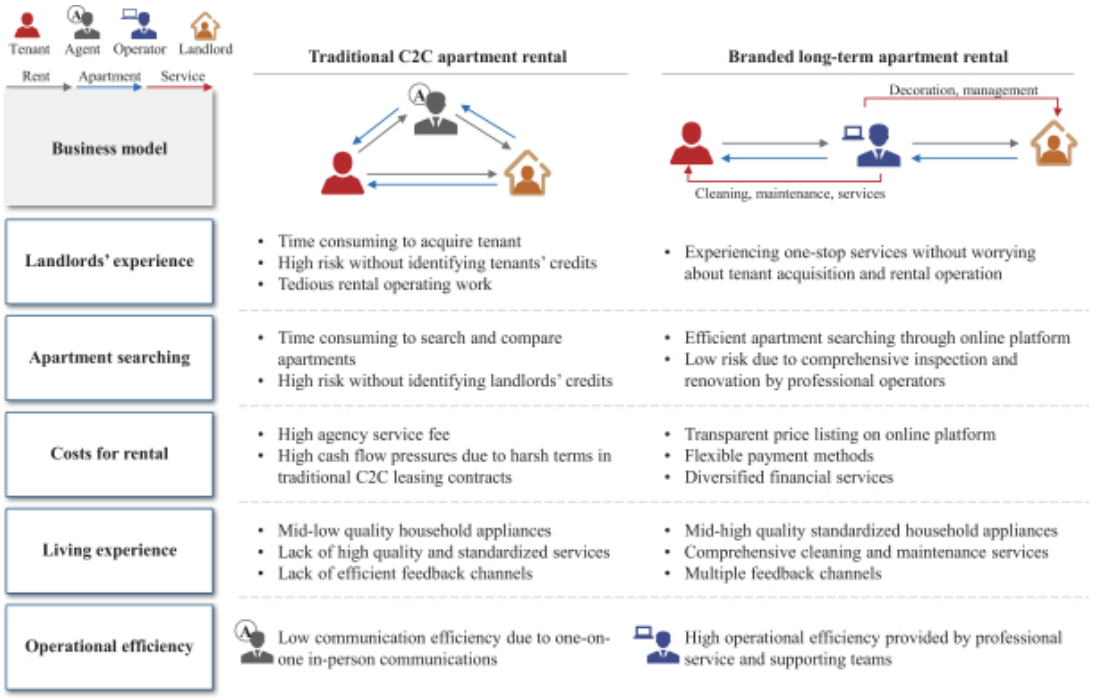
Central and local governments in China adopted policies to incentivize and support the growth of the apartment rental sector, including reducing income tax, medical insurance and social security payment ratio, which benefit individuals with income below RMB10,000.0 (US$1,456.7) a month, and offering equal access to public services and schools to homeowners as well as renters. The reform of individual income tax in China incentivizes more young people to rent apartments as they can enjoy the tax reduction for rental payments. In addition, the reduction of value-added tax also supports the development of long-term apartment rental industry.

Comparison of Long-term Apartment Rental Business Models

The long-term apartment rental market in China comprises (i) a traditional customer-to-customer ("C2C") apartment rental model in which individual owners of apartments rent their apartments directly to tenants or through housing rental agencies, and (ii) a branded long-term apartment rental model, which is a relatively new apartment rental business model in China, where professional apartment rental operators provide convenient and standardized rental services to landlords and tenants, and decorate and centrally manage the rental apartment portfolio in a standardized and professional fashion.

The chart below shows the competitive advantages of a traditional C2C model and a branded long-term apartment rental model.

Traditional C2C vs. branded long-term apartment rental



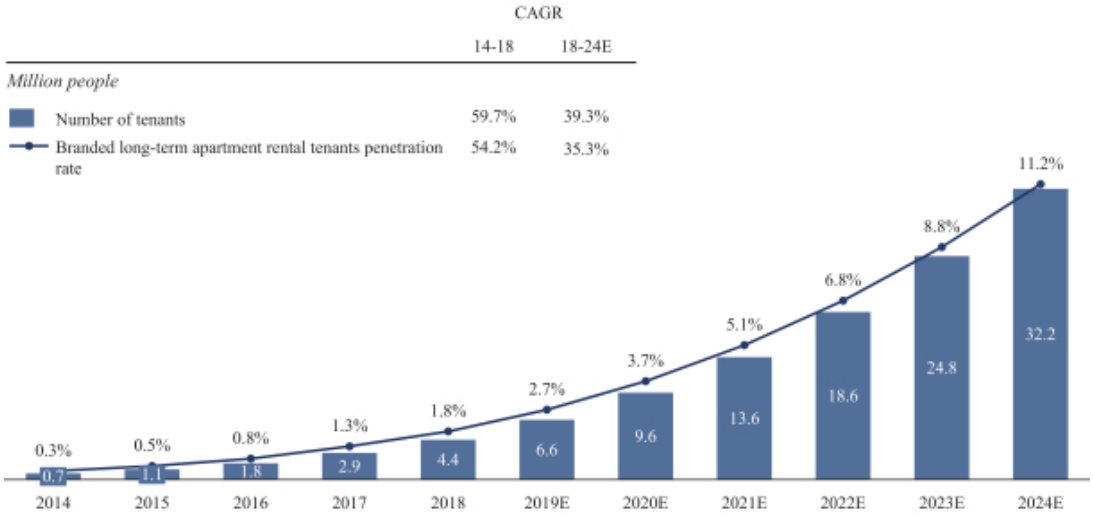
Branded long-term apartment rental model can effectively address the unserved or underserved needs of traditional rental by providing high-quality and standardized apartment renovation, convenient after-rental experience for tenants and landlords alike and a wide-selection of value-added services. It is also more efficient compared to the traditional C2C model in tenant acquisition and apartment management, and incorporates innovative technology in key areas of business processes.

Overview of China's Branded Long-term Apartment Rental Market

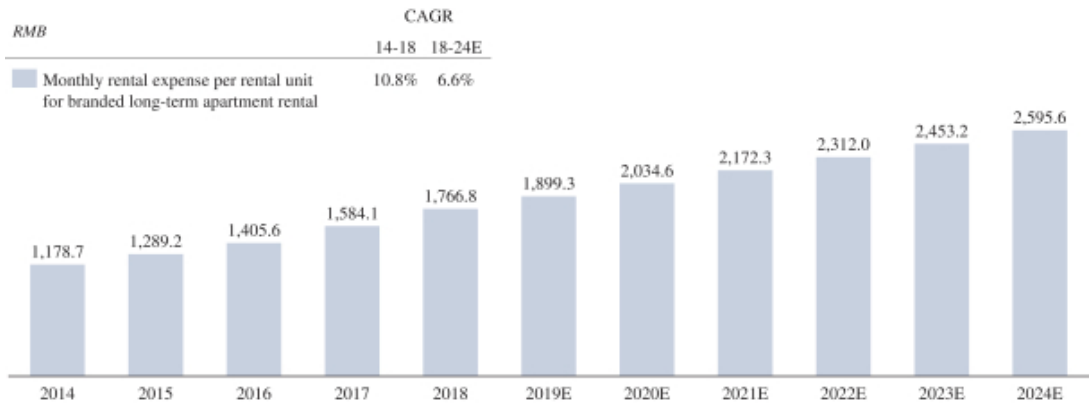
An Under-penetrated Market

Despite its rapid growth with a CAGR of 85.2% from 2014 to 2018 and expecting to reach RMB395.7 billion in 2024 with a CAGR of 51.5% from 2018 to 2024, the penetration rate of branded long-term rental tenants in China, referring to the number of branded long-term rental tenants as a percentage of the total number of long-term rental tenants, was only 1.8% as of December 31, 2018, much lower than that of developed countries, such as the United States and Germany, where the penetration rates of branded long-term rental tenants were 46.0% and 35.0%, respectively, as of December 31, 2018. In addition, the top five branded long-term apartment rental operators in aggregate and the other branded long-term apartment rental operators in aggregate had market shares of 0.7% and 1.4%, respectively, in the long-term apartment rental market in China, in terms of gross rental value in 2018.

Number of tenants of China's branded long-term apartment rental market, 2014-2024E



Average monthly rental expense per rental unit for branded long-term apartment rental in China, 2014-2024E

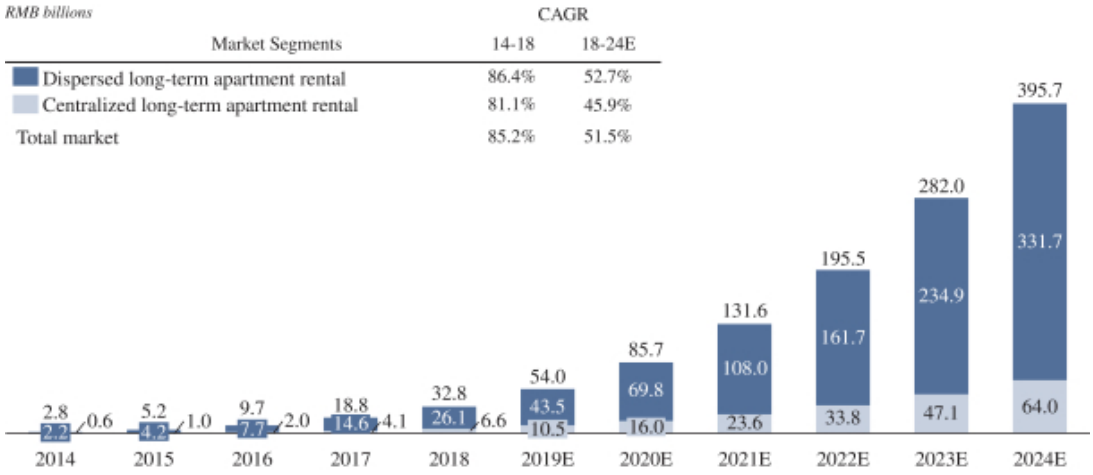


Centralized Model and Dispersed Model

The branded long-term apartment rental model further comprises a centralized model and a dispersed model. For the centralized model, the property locations operated by the long-term apartment rental operators are centralized. For example, operators acquire or lease in a whole building as the subject of apartment rental services. For the dispersed model, the property locations operated by the long-term apartment rental operators are dispersed. For example, operators integrate the housing resources from different locations and provide standardized rental services.

The dispersed long-term apartment rental is expected to remain the major business model in China's market. The market size (in terms of rents paid by tenants) of the dispersed long-term apartment rental market in China was RMB26.1 billion (US$3.8 billion) in 2018, which is expected to increase to RMB331.7 billion in 2024 with a CAGR of 52.7% from 2018 to 2024. It is expected to represent 83.8% (in terms of rents paid by tenants) of the overall branded long-term apartment rental market in China in 2024. The chart below shows the breakdown of China's branded long-term apartment rental market by rental business model.

China's branded long-term apartment rental market breakdown by business model, in terms of rent paid by tenants, 2014-2024E



The dispersed model platforms are more scalable, require less initial capital outlay and enjoy more flexible apartment supply and rental terms. Below is a comparison between the dispersed and centralized models.

Business models	Dispersed branded long-term apartment rental	Centralized branded long-term apartment rental
Features	• Operators collect and operate apartments located in different areas • In most cases, apartments are collected from individual landlords	• Operators operate a whole building or a few floors in a building • In most cases, buildings are collected by leasing from landlords or professional housing developers
Scale	• Easy to scale up due to sufficient supply of dispersed vacant apartments in China	• Hard to scale up due to limited number of suitable buildings for apartment rental
Cash flow	• Limited initial capital investment and flexible cash flow	• Huge initial capital investment and high cash flow pressure

Amenities	• Standardized interior decoration among apartments located in different areas	• Able to create building-level amenities such as fitness rooms, swimming pools and board game rooms to fulfill different needs of tenants
Management	• Comprehensive portfolio and property management abilities are required to manage apartments located in different areas	• Easy to manage due to centralized property
Brand awareness	• Broader brand awareness due to larger and broader customer base and benefit more from economy of scale	• Relatively lower brand awareness due to centralized communities and residents

Characteristics of China's Branded Long-term Apartment Rental Market

In addition to the factors that drive China's long-term apartment rental market discussed above, China's branded long-term apartment rental market is expected to further benefit from the following factors:

Untapped Supply vs. Growing Demand in China's Long-term Apartment Rental Market

Due to the relatively low rental yield in China compared to value appreciation of apartments, property owners in China often prefer to hold their apartments as long-term investments in anticipation of future appreciation in home price, rather than leasing them out, which would involve substantial costs and efforts to renovate and furnish the apartments and search for suitable tenants. As a result, there is a notable percentage of idle apartments (i.e., apartments which are not listed for sale or lease) in China, which represented approximately 22.0% and 24.0% of the total number of apartments in tier 1 cities and leading tier 2 cities, respectively, as of December 31, 2018. On the other hand, there is a huge migrant population seeking affordable rooms to rent in tier 1 cities and leading tier 2 cities. This mismatch creates opportunities for branded long-term apartment operators, who bring the abundant, untapped supply of idle apartments to the rental market by turning them into affordable rental units for tenants, and offering landlords one-stop solutions to furnish and lease out apartments and receive stable rents.

China's long term-term apartment rental market is dominated by the traditional C2C model, and the branded long-term apartment penetration rate in China was only 1.8% as of December 31, 2018. On one hand, apartments in China usually have two to three bedrooms and a living room, which are suitable for a household, but could be too costly for individual tenants. Under the traditional C2C model, landlords usually prefer to rent out an entire apartment instead of separately renting out each room and dealing with multiple tenants. On the other hand, young tenants may not be able to afford the rental for the entire apartment. As a result, there are huge opportunities for branded apartment rental operators to expand their market share by providing co-living efficiency and increasing affordability, for example, by converting an apartment's living room to add an additional bedroom, and separately rent out each bedroom to individual tenants.

An Increasing Number of Tenants, Especially College Graduates, Viewing Branded Long-term Apartment Rental as Their Preferred Choices

The growing popularity of branded long-term apartment rental is also driven by the increasing appreciation of high quality services and convenience provided by branded long-term operators among the younger Chinese population. Among them, college graduates are the main target customers of branded long-term apartment rental operators, and the number of college graduates in China has been increasing over the past few years from 5.8 million in 2010 to 8.2 million in 2018. These young people, usually with stable income, are more likely to choose branded long-term apartment rental over traditional C2C apartment rental due to standardized, high-quality and convenient one-stop rental services provided by professional operators.

Favorable Policies Supporting Branded Long-term Apartment Rental Operators

Both the central and local governments in China have intensively issued policies to encourage the development of China's branded long-term apartment rental market. For example, the following lists out some favorable regulatory developments for branded apartment operators:

Recognition of the N+1 model:

- Shanghai government published Opinions on the Trial Implementation of Encouraging Various Social Institutions to Act as Agents for the Rental of Vacant Housing Stock in 2015 to encourage and regulate the N+1 model;
- In 2016, the Vice President of MOHURD cited Shanghai's N+1 model as an example, allowing eligible living rooms to be converted into a single rental unit.

Facilitating financing:

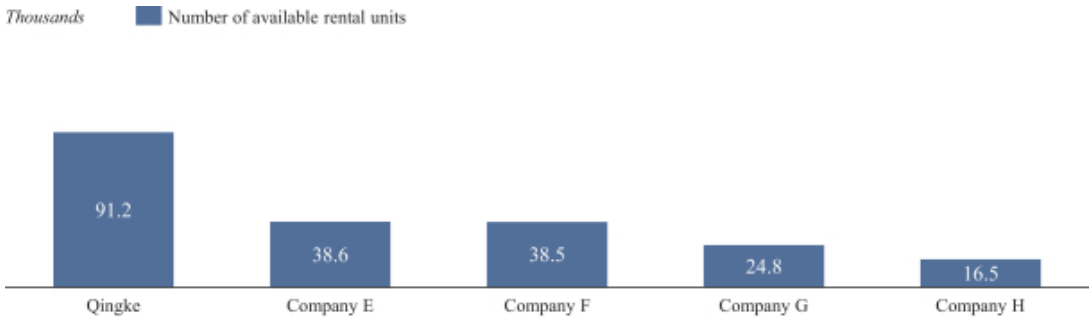
- *Notice on Promoting Rental Asset Backed Securitization*, or ABS, was published in 2017 by CSRC and MOHURD, which clarifies the basic conditions for rental ABS, represents a supporting position at the regulatory level and sets out procedures and evaluation schemes for rental ABS implementation;
- The CSRC started its research on public rental real estate investment trust products for individual investors and formulation of relevant policies and regulations in 2018.

Competitive Landscape

Top Five Branded Long-Term Rental Operator with Average Monthly Rental Less Than RMB2,000 in Terms of Scale in China

According to China Insights Consultancy, approximately 80% of tenants in China sought for apartments with monthly rental less than RMB2,000 (US$291) as of December 31, 2018. We ranked first among operators with average monthly rental less than RMB2,000 (US$291) in the branded long-term apartment rental market in China, in terms of number of available rental units as of December 31, 2018. The chart below shows the top five branded long-term apartment rental operators with average monthly rental less than RMB2,000 (US$291) in China, in terms of number of available rental units as of December 31, 2018.

Number of available rental units* of branded long-term apartment rental operators with average monthly rental less than RMB2,000 in China as of December 31, 2018

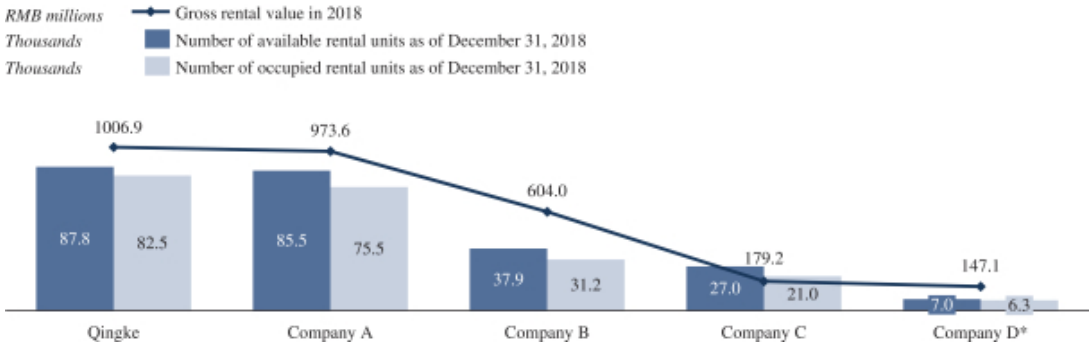


Note: *apartment rental business under asset management model is not included in the ranking

Top Five Branded Long-term Apartment Rental Operators in Terms of Scale in the Yangtze Mega-city Cluster

The Yangtze mega-city cluster centered around Shanghai is a world-class urban agglomeration centered around Shanghai, which mainly includes Shanghai, Nanjing, Suzhou and Hangzhou. It is the most developed economic region in China which is seeing an increasing number of high-quality talents. The chart below shows the top five major operators in the branded long-term apartment rental market in the Yangtze mega-city cluster centered around Shanghai, in terms of gross rental value in 2018, the number of available rental units and occupied rental units as of December 31, 2018.

Top five branded long-term apartment rental operators in the Yangtze mega-city cluster centered around Shanghai

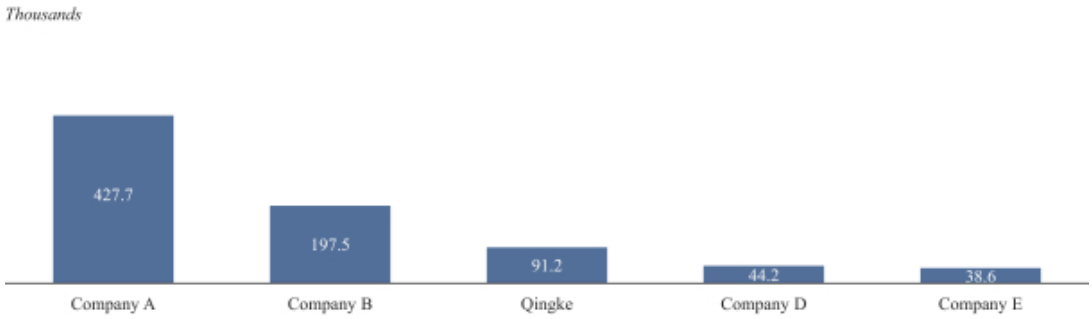


Note: *Company D is under centralized branded long-term rental apartment business model

Top Five Branded Long-term Apartment Rental Operators in Terms of Scale in China

We ranked third among major operators in the branded long-term apartment rental market in China as of December 31, 2018. The chart below shows the top five major branded long-term apartment rental operators in China, in terms of number of available rental units as of December 31, 2018.

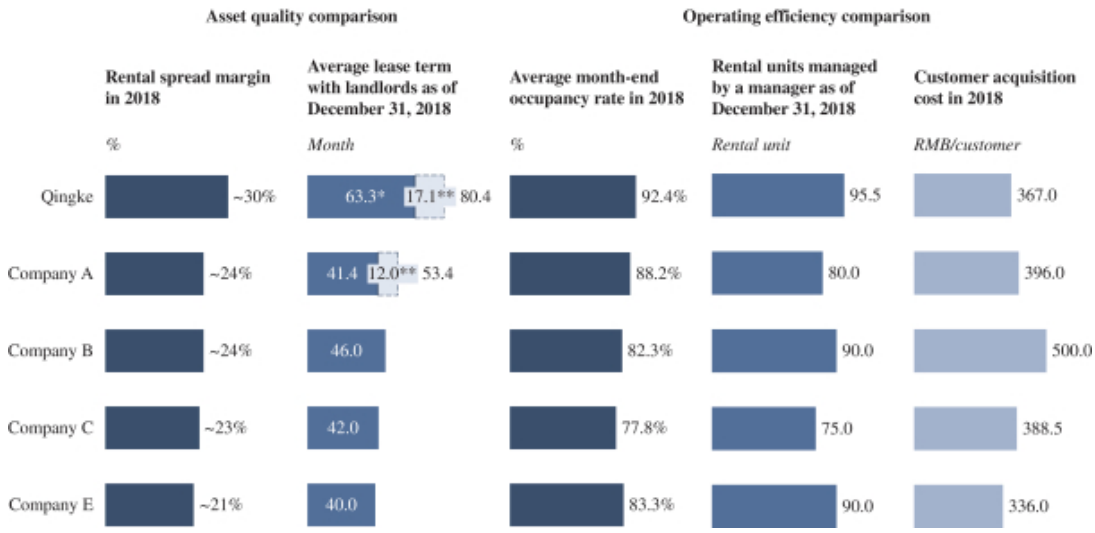
Number of available rental units of branded long-term apartment rental operators in China as December 31, 2018



Note: apartment rental business under asset management model is not included in the ranking.

Comparison of China's Major Dispersed Branded Long-term Apartment Rental Operators in Terms of Asset Quality and Efficiency

The chart below compares certain asset quality-related metrics, including rental spread margin, average lease term with landlords, average month-end occupancy rate, per manager managed rental units and acquisition cost per tenant, among the major dispersed branded long-term apartment operators in China in 2018.



* referring to the lease-in contract lock-in period

** referring to the extension period at the discretion of the landlords

BUSINESS

Our Mission

Providing homes for China's young people.

Overview

We are a leading technology-driven long-term apartment rental platform in China, offering young, emerging urban residents conveniently-located, ready-to-move-in, and affordable branded apartments as well as facilitating a variety of value-added services. We are one of the pioneers in providing branded rental apartments in China. Under our dispersed lease-and-operate model, we lease apartments from landlords and transform these apartments, mostly from bare-bones condition, into standardized furnished rooms to lease to people seeking affordable residence in cities, following an efficient, technology-driven business process. We grew significantly at 114.4% CAGR from 940 available rental units in Shanghai as of December 31, 2012, the year when we started substantial operation, to 91,234 available rental units across six cities in China as of December 31, 2018. We ranked first among branded long-term apartment operators in the Yangtze mega-city cluster centered around Shanghai, one of the most prosperous regions in China, in terms of gross rental value in 2018 and the number of available rental units as of December 31, 2018, and third among branded long-term apartment operators in China, in terms of the same metrics, according to China Insights Consultancy. According to China Insights Consultancy, approximately 80% of tenants in China sought for apartments with monthly rental less than RMB2,000 (US$291) as of December 31, 2018. We are the largest branded long-term apartment rental operator with average monthly rental less than RMB2,000 (US$291) in China, in terms of number of available rental units as of December 31, 2018, according to the same source. We achieved average month-end occupancy rates of 91.6% and 92.4% in 2017 and 2018, respectively, the highest among major branded long-term apartment rental platforms in China, according to the same source.

Driven by the rapid urbanization, rising housing prices, millennial mindsets of sharing economy, and supportive government policies, branded long-term rental apartment service is an underpenetrated, fast-growing industry in China. An increasing number of young people in China move to cities for education or work and seek affordable long-term rental apartments. Traditionally, tenants rely on rental agencies or deal with individual landlords to rent apartments and have to contact individual landlords, who at times may not be responsive, for maintenance and repair during the lease. In the meantime, landlords need to handle apartment maintenance and repair and collect rentals all by themselves. In recent years, branded apartment operators have emerged to provide a one-stop, more efficient and hassle-free rental experience for tenants as well as landlords. In addition, central and local governments in China have adopted policies to incentivize and support the growth of the apartment rental sector, including reducing rental income tax and value-added tax for apartment rental operators, and offering equal access to public services and schools to both renters and homeowners, reducing income tax, and medical insurance and social security payment ratio for individuals with monthly income below RMB10,000.0 (US$1,456.7)—our target customer group. Compared to developed countries such as the United States, where the branded long-term apartment rental penetration rate was 46.0% in 2018, China's branded long-term apartment rental penetration rate was only 1.8% in 2018 and is expected to reach 11.2% by 2024, according to China Insights Consultancy.

Branded long-term apartment rental platforms operate under either a centralized or dispersed model. Under the centralized model, an operator sources and operates a whole building or a few floors therein through purchasing or leasing from, or cooperating with, property owners. Under the dispersed model, an operator sources apartments from individual landlords in different locations and manage them centrally, leveraging advanced IT and mobile technologies. Compared to the centralized model, the dispersed model enjoys certain advantages, including a more abundant and flexible supply of apartments and less initial capital outlay, and is easier to achieve a nation-wide brand awareness. As a result, the dispersed model is more scalable. From 2018 to 2024, the size of the long-term apartment rental market in China under the dispersed model, in terms of rent paid

by tenants, is expected to increase at 52.7% CAGR, compared to 45.9% CAGR for the centralized model in the same period, according to China Insights Consultancy.

We strategically focus on sourcing apartments under the dispersed model in relatively inexpensive yet convenient locations, typically near subway stations, to provide our tenants value for money. We do not own our rental apartments but lease them from our landlords under long-term leases. Our leases with landlords usually provide for a minimum term of five to six years, or lease-in contract lock-in period, and can be extended for up to two to three years. As of December 31, 2018, our average lease-in contract lock-in period was 63.3 months, the longest among major dispersed long-term apartment rental operators in China, according to China Insights Consultancy. We generally lock in our lease-in cost for the first three years, with approximately 5% annual, non-compounding increase for the rest of the lease term. During the lease-in contract lock-in period, neither landlords nor us may terminate the lease without paying a penalty equal to the rentals for the remaining lease-in contract lock-in period. For leases with landlords entered into in April 2019 or after, if the monthly rentals (after discount for rental prepayment) that we receive from tenants are lower than our monthly rental to landlords for six consecutive months, we have the right to renegotiate for a lower monthly rental to landlords or terminate the relevant leases with landlords. We typically convert a leased-in apartment to add additional bedroom, or the N+1 model, and rent each bedroom separately to individual tenants after standardized decoration and furnishing. The N+1 model further increases affordability and provides flexibilities and co-rental efficiency for tenants. Each of our rental apartments typically has three rental units. Our leases with tenants typically have a contracted lease term of 26 months. In the nine months ended June 30, 2019, the average lock-in period of our terminated leases with tenants was 11.7 months, and 68.3% of these leases with tenants had a lock-in period of 12 months or more. In the same period, 47.3% of our leases with tenants were terminated before the expiration of the applicable lock-in period and tenants of 5.1% of our leases remained in their rental units through the end of the contracted lease term. If a tenant chooses to terminate the lease during the lock-in period, except for termination during the first week of the lease, the tenant's security deposit will be forfeited. After the lock-in period, the tenant may terminate the lease anytime without penalty. In 2018, tenants, on average, stayed in our rental units for 8.5 months, the longest among major dispersed long-term apartment rental operators in China, according to China Insights Consultancy. In the nine months ended June 30, 2019, tenants on average stayed in our rental units for 7.7 months.

Technology is at the core of our business. We apply technology in every step of our operational process from apartment sourcing, renovation, and tenant acquisition, to property management. This enables us to operate a large, dispersed and fast-growing portfolio of apartments with high operational efficiency, delivering superior user experience. For example, we utilize big data analytics to establish a fair and efficient pricing mechanism. This mechanism also provides clear guidance to our apartment sourcing staff and ensures certain rental spread can be achieved during the lease term. We have also developed a technology-driven, innovative project management system to centrally manage over 170 suppliers and contractors for apartment renovation, cleaning and maintenance, monitor the work process, track the work schedules, and exert quality control. Moreover, our intuitive mobile applications allow our tenants, landlords, and third-party service providers to execute transactions or provide services in a streamlined paperless environment. Our focus on technologies has enabled us to operate efficiently and grow rapidly while maintaining quality control.

We cooperate with third parties, including professional home service providers, e-commerce companies, and other service providers to facilitate a wide array of value-added services for our tenants. These include broadband internet and utilities. In addition, we recently launched Qingke Select, a membership-based new retail platform. These initiatives cater to tenants' lifestyle demand and help them live more conveniently and comfortably. This, in turn, helps improve our brand loyalty and increase revenue per tenant. Revenue from value-added services and others as a percentage of our net revenues increased from 2.6% in FY 2017 to 10.4% in FY 2018 and further to 11.7% in the nine months ended June 30, 2019.

We also cooperate with financial institutions to facilitate rental installment loans for our tenants in need. Our tenants can, but are not obligated to, apply for rental installment loans from our cooperative partners to prepay rental for certain lease period and enjoy rental discount for the rental prepayment. Approved loan proceeds covering up to

24 months' rentals are transferred to our account at the inception of the lease. We typically pay the monthly interest on the rental installment loans to our financial institution partners for our tenants, and provide guarantee. We may also provide additional credit enhancement in the form of security deposits, usually no more than 5% of the total outstanding loan balance with the relevant financial institutions, with respect to our tenants' repayment of the loans. When a lease is terminated, either by the tenant or by us, we are typically required to return, in a lump sum, the outstanding portion of the rental installment loan. The amount represents the rental for the remaining lease term (net of the discount for rental prepayment) and we are required to deposit it into the tenant's designated account at the financial institution partner within a prescribed period of time, ranging from 0 to 31 days after the termination, which will then be immediately deducted by the financial institution partner from such account. The proceeds from rental installment loans have helped us finance our capital expenditure on decorating and furnishing newly sourced apartments. As of June 30, 2019, we cooperated with 11 financial institutions to finance rental installment loans, and the rental payment of 65.2% of the rental units offered on our platform had been financed by these rental installment loans.

As a result of our efficient and scalable business model, we have achieved rapid growth. In FY 2017 and FY 2018, we recorded net revenues of RMB522.7 million and RMB889.9 million (US$129.6 million), respectively, with a year-over-year growth of 70.3%. In the nine months ended June 30, 2018 and 2019, we recorded net revenues of RMB593.0 million and RMB897.9 million (US$130.8 million), respectively, with a period-over-period growth of 51.4%. In FY 2017 and FY 2018, our net loss was RMB245.4 million and RMB499.9 million (US$72.8 million), respectively, our EBITDA was negative RMB92.9 million and negative RMB268.1 million (US$39.0 million), respectively, and our adjusted EBITDA was negative RMB64.2 million and negative RMB221.3 million (US$32.2 million), respectively. In the nine months ended June 30, 2018 and 2019, our net loss was RMB323.6 million and RMB373.2 million (US$54.4 million), respectively, our EBITDA was negative RMB161.6 million and negative RMB146.1 million (US$21.3 million), respectively, and our adjusted EBITDA was negative RMB162.2 million and negative RMB147.9 million (US$21.5 million), respectively.

Our Strengths

We believe the following competitive strengths contribute to our success and differentiate us from our competitors:

Leading and Fast-Growing Long-Term Apartment Rental Platform with Strong Brand Recognition

We are a leader and pioneer in China's branded long-term apartment rental services, which has driven the transformation of the nation's rental market. We grew significantly at 114.4% CAGR from approximately 940 available rental units as of December 31, 2012, the year when we started substantial operation, to 91,234 available rental units across six cities in China as of December 31, 2018. We ranked first among branded long-term apartment operators in Yangtze mega-city cluster centered around Shanghai, one of the most prosperous regions in China, in terms of gross rental value in 2018 and the number of available rental units as of December 31, 2018, and third among branded long-term apartment operators in China, in terms of the same metrics, according to China Insights Consultancy. We are the largest branded long-term apartment rental operator with average monthly rental less than RMB2,000 (US$291) in China, in terms of number of available rental units as of December 31, 2018, according to the same source. According to China Insights Consultancy, approximately 80% of tenants in China sought for apartments with monthly rental less than RMB2,000 (US$291) as of December 31, 2018. We achieved average month-end occupancy rates of 91.6% and 92.4% in 2017 and 2018, respectively, the highest among major dispersed long-term apartment rental brands in China, according to China Insights Consultancy.

Our leading market position and first-mover advantage has enabled us to accumulate substantial operational experience and build comprehensive, extensible systems to efficiently manage our dispersed, growing portfolio of apartments. It has also enabled us to establish strong brand recognition. In particular, we have positioned our brand to appeal to the price and quality-conscious young generation. Our efforts have been recognized in a number of prestigious awards, including the Star of Shanghai Real Estate Rental Brand Award granted by Baidu in 2018.

China's branded long-term apartment rental market is underpenetrated. Branded long-term apartment rental tenants accounted for only 1.8% of the long-term apartment rental population in China in 2018, and is expected to reach 11.2% by 2024, according to China Insights Consultancy. As a leader and pioneer in this market with distinguished value propositions, we believe we are well positioned to capture the tremendous growth opportunities.

Proven Business Model with High-Quality Assets and Innate Scalability

We follow a dispersed lease-and-operate model, which is less demanding on upfront capital and allows for access to a more abundant and flexible supply of apartment compared to a centralized model, thus enabling us to quickly expand and continue to grow.

We leverage our strong value propositions to landlords and tenants to achieve a healthy rental structure with good visibility. We secure a stable source of apartments through long-term leases with landlords, who benefit from a hassle-free leasing experience and a long-term, turnkey property management solution for their vacant apartments. Our leases with the landlords usually provide for a minimum term of five to six years, or lease-in contract lock-in period, which can be extended for up to two to three years, with an average lease-in contract lock-in period of 63.3 months as of December 31, 2018, the longest among major dispersed long-term apartment rental operators in China according to China Insights Consultancy. In addition, we typically manage to negotiate a rental-free period of 90-160 days, and lock in the lease-in cost for the first three years, with approximately 5% annual, non-compounding increase for the rest of the lease period. This provides us with a long-term stable source of apartments and good visibility of rental cost.

Our apartments are located in relatively inexpensive yet convenient locations, typically near subway stations, to provide our tenants value for money. We typically convert a leased-in apartment to add an additional bedroom, or the N+1 model, and rent each bedroom separately to individual tenants after standardized decoration and furnishing, which further increases affordability and provides flexibility and co-rental efficiency for tenants. In addition to our core apartment offerings, we facilitate a variety of value-added services and rental financing to help our tenants settle in and live comfortably in the cities. The affordability, quality and reliability of our apartments and services have resulted in high occupancy rate and tenant retention. We achieved average month-end occupancy rates of 91.6% and 92.4% in 2017 and 2018, respectively, the highest among major dispersed long-term apartment rental brands in China, according to China Insights Consultancy. In 2018, our tenants stayed in our rental units for 8.5 months on average, the highest among China's major dispersed branded long-term apartment rental brands, according to China Insights Consultancy, and our tenant renewal rate was 30.1% in the same period.

We focus on serving young people pursuing their dreams in cities, who have a similar mindset and preference of convenient and affordable rental solutions. This allows us to leverage standardization to achieve economies of scale and replicate our business model to expand rapidly. For example, our standardized renovation lets us conduct centralized procurement and bulk purchasing from large appliance and construction materials suppliers. In particular, our average renovation cost of rental units we leased in FY 2017, FY 2018 and the nine months ended June 30, 2019 lowered from RMB20,069 per rental unit in FY 2017 to RMB19,783 (US$2,880) in FY 2018, and further to RMB14,747 (US$2,148) in the nine months ended June 30, 2019.

With proven success in Shanghai, we have expanded to other cities which have the similar supply-and-demand dynamics for branded rental apartments and where we can replicate our business model effectively and leverage our established technology-driven operational and management systems. We grew significantly at 114.4% CAGR from 940 available rental units in Shanghai as of December 31, 2012, the year when we started our substantial operation, to 91,234 available rental units across six cities in China as of December 31, 2018. As of December 31, 2018, we ranked among top three branded long-term apartment operators in each of Shanghai, Suzhou, Wuhan, Hangzhou and Nanjing in terms of available rental units, according to China Insights Consultancy. As of the same date, we ranked first in Shanghai and Suzhou, second in

Wuhan, and third in Hangzhou and Nanjing in terms of the number of rental units contracted in China, according to the same source.

High Operating Efficiency Driven by Advanced IT and Mobile Technologies

Technology plays a critical role in our interactions with all parties on our platform in every step of our operation, from apartment sourcing, renovation, and tenant acquisition, to property management.

We utilize big data analytics derived from our large database of rental transactions as well as other sources to establish a fair and efficient pricing mechanism. This mechanism also provides clear guidance to our apartment sourcing staff and ensures certain minimum rental spread margin can be achieved during the lease term. Our technology-driven Smart Pricing System then estimates appropriate rental cost and price by selecting and parsing rentals from recent comparable transactions in adjacent area from our own transaction data and public market data, and automatically adjusts the level of the rentals based on multiple influencing factors, including size, orientation, and floor. The transparent pricing mechanism has helped us in our sales pitches to landlords and to tenants to negotiate favorable rents and lease terms, as evidenced by our lease-in contract lock-in period, with an average of 63.3 months as of December 31, 2018, being the longest, and our rental spread margin—approximately 30% in 2018, being the highest, among China's major dispersed long-term apartment rental brands, according to China Insights Consultancy. Our pricing model is also highly extensible. When we expand into a new city, our Smart Pricing System can be quickly replicated with some adjustments in parameters to generate tailored, local data sets, thus enabling faster expansion at a lower cost.

We use proprietary technologies to expedite apartment renovation and centrally manage our over 170 suppliers and contractors, including dispatching job requests, monitoring work processes, tracking work schedules, and exerting quality control. For example, our onsite professionals conduct and upload a full room scan to our cloud server, where our algorithm breaks down the necessary processes required for the room refurbishment and then distributes the job requests to various construction and interior design contractors for real-time bidding. Contractors are selected and constantly evaluated based on multiple factors including their qualifications, quality of work, and capability to meet our deadlines, to ensure allocation of the job requests to the most qualified contractors. Through modularization, standardization, and digitization of the renovation process, it took us on average 80.2 days in the nine months ended June 30, 2019 to go through the process from measurement to construction completion and each of our construction managers managed on average 159.9 rental units under construction in the nine months ended June 30, 2019.

We have developed user-friendly mobile applications, through which apartment leasing, searching, viewing and contract signing can all be done online, reducing long turnaround time and inefficiencies from paperwork. In the nine months ended June 30, 2019, approximately half of our tenants were sourced through our mobile applications. Our tenants can also operate all rental-related matters at their fingertips through our mobile application, including requesting and scheduling repair services, making rental and bill payments, and receiving payment reminders. We have installed smart digital locks on the doors to our apartments and bedrooms, some of which allow us to remotely control apartment access to efficiently manage tenants' payment delinquencies or default. These technology-enabled initiatives have helped drive down our customer acquisition cost and improve our efficiency in property management. Our acquisition cost per tenant, which primarily consists of our marketing costs for our apartments, was RMB367.0 (US$53.4), being the second lowest, and our number of apartments managed per apartment manager, which was 95.5 rooms per manager, being the highest, among major dispersed long-term apartment rental brands in 2018, according to China Insights Consultancy.

Immense Customer Insight for Optimal User Experience and Additional Revenue Opportunities

As we interact with tenants through rental transactions and value-added services, we collect and analyze a variety of data on tenant's attributes and behaviors, including location, demographics, education level, employment status, interest, income and credit information, and model of mobile devices. These data help us

formulate customized recommendations throughout the rental transaction process for a more streamlined leasing experience. For example, when tenants browse the apartment units on our mobile application, they will see available apartments in their vicinity matching their location and inferred budget based on the models of their smartphones, making apartment searching more efficient.

Our data insights also enable us to deliver and further develop a wider range of more relevant, targeted services to enrich tenants' lives. During the lease term, we provide location-based services such as food delivery and ticketing based on tenant location data. In November 2018, we launched our membership-based new retail platform, Qingke Select, where our tenants may purchase certain products online and enjoy seamlessly integrated online-to-offline experience. We also generate customized pop-up advertisements of products on Qingke Select when our tenants use Qingke APP. These value-added initiatives cater to tenants' lifestyle demand and help them live more conveniently and comfortably. This, in turn, helps improve our brand loyalty and increase revenue per tenant.

The convenient and superior user experience has increased our customer engagement. Our Qingke APP and website had cumulative page views of over 57.6 million in 2017, 2018 and the six months ended June 30, 2019. As we deliver a wider range of increasingly targeted and personalized solutions, we are able to attract and retain more tenants and other service providers to our platform. As our engagement with tenants expands and deepens, we are able to derive more data insight and develop more customized solutions, increasing the overall efficiency and stickiness of our platform.

Experienced Management Team Supported by a Well-Trained and Motivated Workforce

Our management team's collective experience and strong technology and operational background have and will continue to pave the way for our success. Running a dispersed long-term apartment brand requires diverse knowledge and expertise, and deep understanding and knowhow across core functions, from apartment sourcing, renovation, and tenant acquisition, to property management. We have a management team with a diverse background in real estate, IT, supply chain, law, and finance, etc. Our core management team has been in place since 2014, when the business began experiencing rapid expansion. The stability of our core management team has provided the leadership and consistency necessary to achieve sustainable growth.

Our founder and chief executive officer, Mr. Guangjie Jin, is an experienced and renowned entrepreneur in China's long-term apartment rental industry and has over 19 years of experience in business, management, computer science and law. He is one of the pioneers who identified and grasped the industry opportunities of providing branded long-term apartment rental services and applying innovative mobile internet technology to revolutionize traditional apartment rental in China.

Our experienced management is supported by a well-trained and motivated workforce. We have developed an effective training system to develop management staff to run our rapidly expanding network. Our "Qingke College", together with our experienced regional management teams, offers structured and comprehensive training programs for our staff on our corporate culture, sales and marketing, software skills, sourcing skills, tenant service and apartment operation standards. We implemented a comprehensive review and incentive system that aligns performance and compensation as well as internal promotions to motivate and retain workforce.

Our Strategies

We aim to maintain and strengthen our position as one of the largest long-term rental service providers in China. We intend to focus on the following key strategies in pursuit of our mission:

Solidify Market Leadership in Existing Cities, and Enter New Cities through Disciplined, Return-Driven Expansion

We aim to consolidate our leading position in the long-term apartment rental industry in China through continued expansion of our apartment portfolio, leveraging our substantial operational experience and

comprehensive, extensible systems that efficiently manage our dispersed, growing portfolio of apartments. We intend to expand and solidify our presence in cities where we already have operations as well as to broaden the geographical coverage by entering into new markets with suitable apartment supply and strong rental demand. We target to continue to expand in tier 1 and tier 2 cities with large young population and booming economic activities, such as Chongqing, Changsha and Xi'an.

Continue to Improve Efficiency and Quality Control through Enhanced Technology

We intend to continue to invest in our technology-driven business systems and use technology to improve operational efficiency and quality control. For example, we are developing proprietary data management systems and modules to better inform our apartment sourcing strategies. These include a five-dimensional system, which incorporates three-dimensional space, adding time dimension and human activity dimension to help us predict the popularity of a particular location and its rental growth potential. In addition, we plan to integrate more proprietary and third-party market data to our Smart Pricing System to further improve sourcing efficiency and visibility of rental spread.

In terms of apartment renovation, we plan to further refine our project management system using block chain technology, which would allow us to trace each apartment renovation assignment and material used to a specific contractor or supplier for transparency and quality control.

In terms of tenant interaction, we plan to enhance voice recognition and biometric recognition technologies to improve efficiency and accuracy of data collection. As we collect more data about tenants and their interaction with our rental units, we are able to design more offerings that enhance their experience.

We intend to cooperate with well-known data labs to continue to enhance the technologies and technology infrastructure underlying our systems and data analytics.

Expand Our Value-Added and New Retail Products and Services

We intend to facilitate more innovative products and services catering to the needs of young people and improve their overall experience. We endeavor to continue to expand our value-added products and services and promote our membership-based new retail platform. In addition, leveraging on our extensive data on tenants and rental related transactions, we plan to continue to develop data analytics to create contextual-rich tenant profiles for more customized, relevant solutions and precision marketing. We also aim to attract more location-based or young-generation-focused products and service providers to our platform to expand our value-added solutions.

These initiatives cater to tenants' lifestyle demand and help them live more conveniently and comfortably. This, in turn, helps improve our brand loyalty and increase revenue per tenant. In addition, as we attract more providers to our platform, we can continue to build our ecosystem with powerful network effects and differentiated value propositions to its participants.

Pursue an Asset-Light Strategy

As we expand our apartment network and as our brand awareness increases, we intend to explore asset-light business models to scale up more rapidly. For example, since February 2019, we have started to source decorated and furnished apartments from landlords. Under this model, depending on the decoration quality, we generally only need to add a wall to separate out an additional bedroom from the living room, furnish the additional bedroom, and install smart door locks to the apartment and each bedroom therein, thus substantially reducing our cost for renovation, compared to sourcing bare-bones apartments.

Furthermore, we may pursue a franchise model to operate and expand more quickly in a less capital-intensive manner. We plan to attract franchisees who have the commitment and capital. We may further develop asset-light services and sell certain modules of our proprietary SaaS solution to help franchisees that lack the technological know-how but are looking to improve operational efficiency.

Continue to Optimize Capital Structure and Drive Down Expansion Cost

Our business requires significant capital expenditure for expansion. We have relied on tenants' rental prepayment to finance a significant portion of our capital expenditure. Leveraging on favorable policies supporting the growth of the apartment rental market, and our growing scale and reputation, we intend to continue to expand and deepen our cooperation with existing and new financial institutions and other partners to decrease our reliance on tenants' prepayment, diversify our funding sources and models and drive down financing cost. For example, in August 2018, we started to cooperate with a rental service company, a subsidiary of one of the state-owned banks, to finance apartment renovation. The model has provided the rental service company with access to quality customers and us with a stable source of low-cost capital to finance apartment renovation, which helps us grow in a cost-efficient manner. We intend to continue to roll out the cooperation in the existing cities and beyond. In addition, we are exploring a model under which our landlords would fund the upfront costs for apartment outfitting.

We may also issue asset-backed security products and other securities in the future.

Explore Strategic Alliance and Acquisition Opportunities

We plan to take advantage of the fragmented nature and rapid growth of the long-term apartment rental market in China to continue to explore investment, acquisition and business collaboration opportunities, and we will consider opportunities that complement or enhance our existing operations and are strategically beneficial to our long-term goals. For instance, in 2017, we sourced 76 decorated and ready-to-move-in apartments with a total of 248 rental units, which were previously managed by another apartment rental operator. Our management plans to judiciously evaluate any such opportunity that may arise from time to time. We believe that our proven track record of acquisition execution, our relationship with many industry participants and our knowledge of, and experience and established reputation in, the long-term apartment rental industry in China will assist us in making and implementing sound acquisition decisions.

Our Value Propositions

Leveraging our technology-driven, end-to-end systems, and expansive network of conveniently located and professionally managed apartments, we offer stress-free, streamlined rental experience to address the demands and pain points of our target tenants and landlords in an otherwise inefficient market fraught with information asymmetry. We also cooperate with financial institutions and other service providers in the apartment rental value chain, such as internet service providers, professional home service providers, and e-commerce companies to facilitate rental installment loans and value-added solutions to tenants, while providing the service providers with incremental revenue opportunities and access to high-quality end customers. The diagram below illustrates our interactions with our tenants, landlords and strategic partners.

We enjoy powerful network effects through our interactions with landlords, tenants, and strategic partners. These interactions are mutually reinforcing and value-creating. As we engage with more landlords, we are able to expand our apartment network to attract and serve more tenants and create more opportunities for service providers, which strengthens our relationship with existing service providers and attracts new ones. As we deepen and expand the strategic cooperation with service providers, our tenants and landlords benefit from a wider range of products and services and improved overall experience. Furthermore, as more transactions occur, the quality of information available to us improves. The in-depth insights we gain from rental and other related transactions help to drive our operational efficiency as we continue to refine the big-data algorithms for our technology-driven systems to effectively manage pricing terms and occupancy rates and implement and adjust our sourcing and marketing strategy. These insights also enable us to develop more customized value-added services.

Our Value Propositions to Tenants

Since inception, we have been committed to serving emerging young population seeking affordable residence in cities. Our target tenants primarily comprise college graduates, entry-level white collar workers and service industry workers in their 20s and early 30s, who are eager for an affordable urban lifestyle. As of June 30, 2019, we had served over 220,000 tenants, a majority of which were between 20-35 years old, with monthly income of around RMB4,000 to RMB12,000. The PRC government recently adopted favorable policies, which benefit this group of people, including reduction in income tax and medical insurance and social security payment ratio. This is expected to further drive the demands from our target.

We offer conveniently located, ready-to-move-in, and affordable serviced apartments and a variety of value-added services, including WiFi access, laundry, and online and offline community events to help our tenants settle in and live comfortably in the cities. We have also cooperated with a number of financial institutions to facilitate rental installment financing for our tenants in need. Our value propositions to tenants include:

- *Affordable, conveniently located and standardized apartments*. Our rental units are strategically located in relatively inexpensive yet convenient locations, typically near subway stations and still within the metropolitan areas, providing our tenants value for money.

  As renting an entire apartment in a city is typically unaffordable for our target tenants, we usually convert the apartments we lease from landlords into an "N+1" bedroom format, which involves using the common space to add one additional bedroom and then rent each bedroom separately to individual tenants after standardized decoration and furnishing. This increases affordability and provides flexibilities and co-rental efficiency for tenants, who may otherwise have to rent the entire apartment or to find co-tenants for a multi-bedroom property.

- *Efficient, one-stop renting experience*. Traditionally, tenants rely on rental agencies or contact individual landlords to rent apartments and have to contact individual landlords, who at times may not be responsive, for maintenance and repair during the lease. Moreover, apartments available for rent in China often have only a bare-bones interior and no furniture, adding additional costs and hassles for tenants.

  Using our interactive Qingke APP, tenants can browse through and look for available rooms in locations they want to live, schedule property visits, sign contracts, pay rent and other bills, activate their room door and submit repair and maintenance requests at their fingertips. In addition, all our apartments are decorated and equipped with air conditioners, basic furniture, utility, and WiFi access, reducing the move-in cost and hassle for our tenants.

- *Comfortable living experience*. We are committed to providing not just a room but a home to our tenants, and improving their overall quality of life. To that end, we offer a wide variety of value-added products and services through our engaging online and mobile platform and frequent offline group activities to alleviate the stress associated with moving into a new apartment and settling in a big city. This helps us improve our brand loyalty.

Our Value Propositions to Landlords

We provide a hassle-free leasing experience and a long-term, turnkey property management solution for our landlords. Our landlords are primarily homeowners who own more than one apartment in China's major, fast-expanding cities as investment, and owners who have received one or more apartments from real estate developers or government as compensation for re-locating from previously owned properties in old residential locations in city centers that were razed by urban planning. Our value propositions to landlords include:

- *Visibility of stable rental income without hassle*. Our leases with landlords typically provide for a minimum term of five to six years, or lease-in contract lock-in period, which shall be extended for up to two to three years at the discretion of landlords, with locked-in rents for the first three years and

approximately 5% annual, non-compounding increase in rents for the rest of the lease period. Most of the apartments that our landlords hold are in bare-bones condition and we are usually responsible for decorating and fitting. Our landlords are thus able to collect a stable rental income from a reputable branded apartment rental operator without having to handle the decoration, fittings, and tenant searching processes, or dealing with maintenance, cleaning, and rental collection. Additionally, apartments are generally better maintained by rental operators than by individual tenants.

- *Convenient execution.* Apartment information submission, sourcing approval, lease-in contract signing and landlord confirmation can all be done online on the landlord interface of our interactive Qingke APP.

Our Value Proposition to Strategic Partners

- *Access to more opportunities with landlords and tenants.* We cooperate with financial institutions, professional home service providers, e-commerce companies, and other service providers to address the financing and lifestyle needs of our tenants and landlords. Through these strategic cooperation, our partners gain access to incremental revenue opportunities, as well as high-quality end customers.

Our Apartment Network

We started the apartment rental business in 2012 in Shanghai, one of the most prosperous cities in China with the largest migrant population. As of June 30, 2019, 64.4% of our rental units contracted were located in Shanghai. Leveraging the experience and knowledge accrued in managing rental apartments in Shanghai, we have expanded to other top-tier cities, including Shanghai's adjacent Suzhou market in 2013 and Hangzhou in 2016, and subsequently Nanjing, Wuhan and Beijing in late 2017. As of June 30, 2019, we had 96,854 available rental units under management spread across China, approximately 95.8% of which (contributing to 97.5% of our rental service revenues in the nine months ended June 30, 2019) were located in the Yangtze mega-city cluster centered around Shanghai, including 62,719, 10,430, 14,098 and 5,551 available rental units in Shanghai, Suzhou, Hangzhou, and Nanjing, respectively, and 3,648 and 408 available rental units in Wuhan and Beijing, respectively.

We have been focused on, and will continue to target, markets with multiple demand generators, such as proximity to transportation corridors (e.g., locations along the coastal lines or the Yangtze River, or in the intersection of multiple high-speed railways), strong economic prospects (e.g., top 50 in China in terms of GDP), abundant job opportunities, high home ownership costs, large and increasing inflow of migrants (e.g., with population over 8 million), solid suburban development plans, and favorable government policy on apartment rental, etc.

Within our target markets, our apartments are strategically located in neighborhoods near subway stations in the metropolitan areas. These locations provide tenants with convenient access to an entire city, including major business districts and commercial centers, and hence strong demand potential and ample space for rental increase (driven, for example, by opening of a new subway line or extension of an existing subway line, a new commercial center etc.).

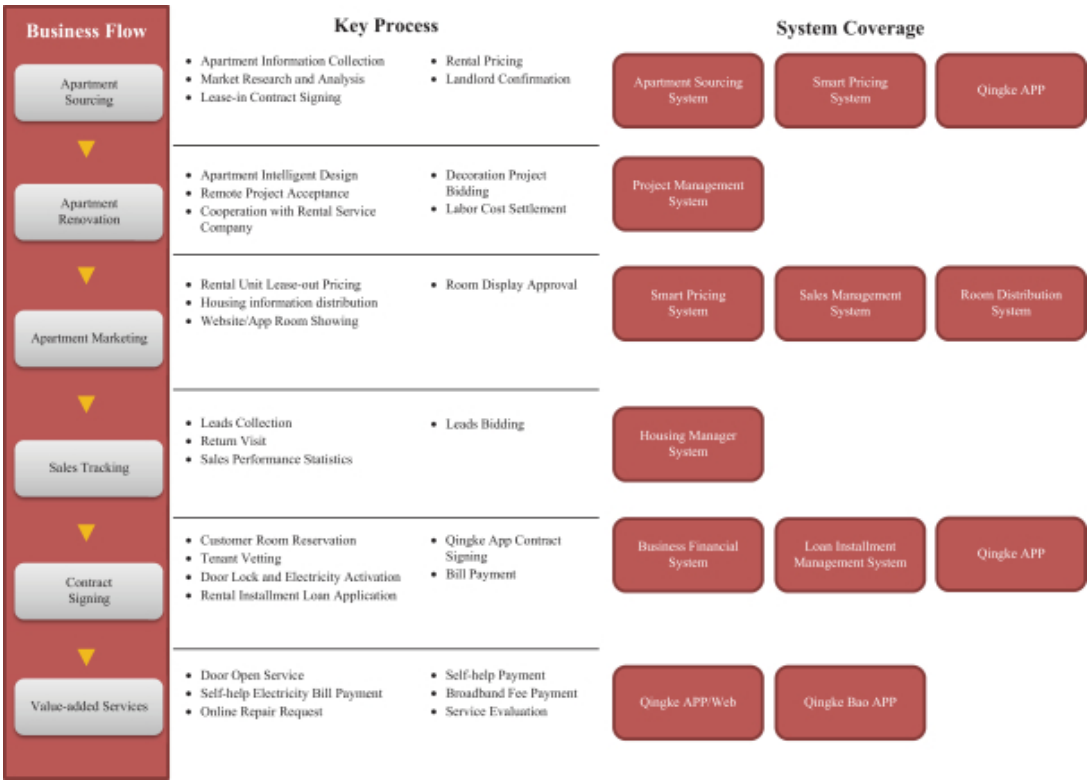
Our Technology-Driven Business Model

We utilize an efficient and scalable lease-and-operate model, under which we lease individual apartments from apartment owners and rent out to individual tenants after necessary renovation. Our highly efficient business process and centralized management of a large dispersed portfolio of rental apartments are built on, and enabled by, our technology-driven, end-to-end, and extensible systems.

We apply technology in every step of our operation from apartment sourcing, renovation, and tenant acquisition, to property management. These include our dynamic pricing system for fair, transparent, and

efficient rental pricing, innovative project management system to centrally manage, monitor, and control renovation process, and intuitive mobile applications to reduce customer acquisition and property management cost. Our focus on technology has enabled us to operate efficiently and grow rapidly while maintaining quality control and optimizing user experience.

The following diagram illustrates the key modules of our technology-driven, end-to-end systems. All of these modules are web-based or mobile-based information systems, and developed in-house.



Apartment Sourcing

Overview

We have followed a disciplined and systematic process to expand our apartment network. This involves comprehensive market research of macro factors and local government policies on apartment rental, in-depth analysis of local market supply and demand dynamics through collecting and analyzing relevant data, including housing sales transaction information, residential building vacancy rate, rental demand, and rental price development. We conduct in-person visits to relevant neighborhoods and real estate agencies nearby to get first-hand experience of traffic flow, e.g., proximity to a subway station or other local traffic or commercial hub; competitive landscape, including the presence of any other branded apartment operators or individual landlords; and abundance of available-for-rent apartments with ample room for revitalization and optimization, such as existence of a newly developed property complex for people re-locating from previously owned properties in urban planning.

We gather information of available-for-rent apartments from both online and offline channels. Online channels include our Qingke APP, which can be used by property owners to submit information of their

available-for-rent apartments, and third-party channels including classified ads websites. Our sourcing staff also gather leads of available-for-rent apartments from local neighborhood committees and property managers, and real estate agencies nearby during their field visits to the relevant neighborhoods.

We use a mobile-based apartment sourcing system to manage the sourcing process, and a technology-driven Smart Pricing System for efficient and fair rental pricing. Through these systems, our sourcing staff submit detailed information of potential apartments for our centralized approval, as well as signing lease contracts and managing relationships with landlords, etc.

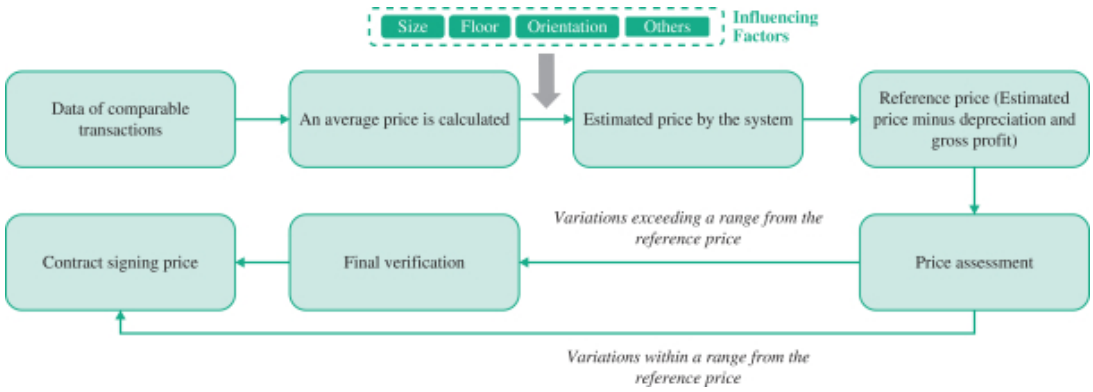
We have a dedicated sourcing team which is incentivized to achieve not only the targeted number of apartments to be sourced, but also the quality of the apartments they source, aligning their interests with our long-term goals. Each of our sourcing staff sourced an average of 4.2 rental units per month in the nine months ended June 30, 2019.

Rental Pricing

A key element for our apartment sourcing is establishing the right rental pricing to expand our apartment portfolio and gain greater market share, while at the same time meeting our strategic and financial return criteria.

We use big data to establish a fair and efficient rental pricing mechanism, our proprietary technology-driven Smart Pricing System, to provide clear guidance to our apartment sourcing staff to ensure satisfactory financial return during the lease term. Our sourcing staff input the basic information including location, residential compound name, floor, size, and number of bedrooms etc., into our Smart Pricing System. Our Smart Pricing System estimates appropriate rental cost and price by selecting and parsing rentals from recent comparable transactions in adjacent area from our own transaction data and public market data, and automatically adjusts the level of the rentals based on multiple influencing factors, including size, orientation, and floor. Our Smart Pricing System helps mitigate losses arising from inaccurate manual pricing techniques and reduces reliance on sourcing staff's personal judgment, as well as streamlining the pricing process. When we expand into a new city, the Smart Pricing system is replicable with some adjustments in parameters, enabling faster expansion at a lower cost.

The diagram below illustrates our dynamic, smart pricing process.



Our Lease-in Contracts

The transparent pricing mechanism enabled by our Smart Pricing System has helped us in our sales pitches to landlords and tenants to negotiate favorable rents and lease terms. Since 2017, we have typically entered into a lease with a landlord with a minimum term of six-year period, or lease-in contract lock-in period, which shall be

extended for up to two years, at the landlord's discretion. Before 2017, we typically entered into a lease with a landlord with a minimum term of five-year lease-in contract lock-in period, which shall be extended for up to three years, at the landlord's discretion. During the lease-in contract lock-in period, neither landlords nor us may terminate the lease without paying a penalty equal to the rentals for the remaining lease-in contract lock-in period. From our inception to June 30, 2019, 45.4% of our leases with landlords were terminated upon the expiry of the lease-in contract lock-in period. Our lease-in contract lock-in period was the longest among China's major dispersed long-term apartment rental brands in 2018, according to China Insights Consultancy. As of June 30, 2019, our average lease-in contract lock-in period was 63.1 months and a majority of our apartments contracted were less than two years into leases with landlords. We typically manage to obtain a rental-free period of 90-160 days from our landlords. Additionally, we generally lock in the lease-in cost for the first three years, with an approximately 5% annual, non-compounding increase for the rest of the lease term. Below is the expiration table of our leases with landlords as of June 30, 2019 assuming all landlords terminate the lease upon the expiry of the lease-in contract lock-in period.

	Total leases with landlords	Leases expiring by the end of									
		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028 and after
Number of rental apartments with	29,655	547	2,950	5,643	1,997	8,186	7,423	2,063	397	277	172
Average annual straight-lined rental cost represented by (RMB in million)	77.8	10.9	56.7	126.7	61.7	276.5	232.9	57.2	12.7	10.2	5.3
Percentage of total annual straight-lined rental cost (%)	100	0.1	2.0	8.0	5.6	32.9	34.3	10.0	2.6	2.4	3.0

Below is the expiration table of our leases with landlords as of June 30, 2019 assuming landlords do not terminate the lease upon the expiry of the lease-in contract lock-in period.

	Total leases with landlords	Leases expiring by the end of									
		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028 and after
Number of rental apartments with	29,655	274	2,225	1,358	401	1,020	5,021	1,795	11,408	5,838	315
Average annual straight-lined rental cost represented by (RMB in million)	82.9	5.5	45.9	28.5	7.0	30.7	151.8	61.1	405.3	162.3	6.9
Percentage of total annual straight-lined rental cost (%)	100	0.0	1.0	1.1	0.4	2.2	13.6	6.5	50.1	22.8	2.3

We usually prepay a security deposit equal to one month's rental to landlords. After the rent-free period, we usually prepay rentals on a quarterly basis. As we expand and our reputation grows, an increasing number of landlords no longer require us to pay security deposits. If a landlord terminates the lease during the lease-in contract lock-in period, he or she is required to compensate us for the amount equivalent to the rental income of the remaining period of the lease. Historically, less than 1% of our landlords terminated the lease during the lease-in contract lock-in period. At the end of the lease term, we may take all non-fixtures such as electric appliances that we have installed in the apartment. Landlords generally give representations on the authority to rent out the apartment and apartment condition. For leases with landlords entered into in April 2019 or after, if the monthly rentals (after discount for rental prepayment) that we received from tenants are lower than our monthly rental to landlords for six consecutive months, we have the right to renegotiate for a lower monthly rental to landlords or terminate the relevant leases with landlords.

On a selective basis, we also enter into lease-in agreements with landlords for a whole building or a few floors in a building. When considering potential apartment candidates under this model, we evaluate the conditions of the buildings, including whether they have obtained all necessary titles and permits, and whether

the landlords are agreeable to finance the decoration based on our standards. Our leases under this model typically range from five to 15 years with a rental-free period of three to eight months. We typically manage to lock rental for the first two or three years of the leases. We are typically required to pay rental to the landlords on a quarterly basis. If the landlords terminate the lease during the lease term, they are required to compensate us for the amount equivalent to the rental income of three to 12 months, as applicable. As of June 30, 2019, the number of apartments that we leased in under this model represented approximately 2.5% of our apartments.

Since February 2019, we have started to source decorated and furnished apartments from landlords. Under this model, depending on the decoration quality, we generally only need to add a wall to separate out an additional bedroom from the living room, furnish the additional bedroom, and install smart door locks to the apartment and each bedroom therein, thus substantially reducing our cost for renovation, compared to sourcing bare-bones apartments. In addition, we are exploring a model under which our landlords would fund the upfront costs for apartment outfitting. These initiatives help reduce our upfront capital outlay so that we can scale up more rapidly.

Apartment Renovation

Our apartment renovation process typically involves converting the living room in a leased-in apartment to add an additional bedroom, or the N+1 model, following the guidance in the applicable local regulations; and decorating and furnishing the leased-in apartments, which are often kept in bare-bones condition (cement walls and floors and utility pipes only) and unfurnished. In addition, depending on the condition of the apartment after a tenant moves out, we may conduct light renovation to ensure consistent standard and quality across our lease-out apartments. We have developed a standardized process to renovate the apartments, which includes measuring, designing, reviewing and budgeting, reconstruction, installation, and inspection and review, and further break down the key steps into pre-set modules, such as design packages and distinctive construction orders to improve efficiency.

We have independently developed a technology-driven, innovative project management system to centrally dispatch job requests, manage suppliers and contractors, monitor the renovation process, track delivery schedules, and exert quality control throughout the entire apartment renovation process. Our project management system enables modularization, standardization and digitization of the renovation process. This has allowed us to efficiently manage a fast-growing number of suppliers and contractors to sustain our business growth while ensuring consistency in quality. It took us on average 80.2 days in the nine months ended June 30, 2019 to go through the process from measurement to construction completion.

We perform centralized purchasing for construction materials (except low-cost and heavy materials such as cement, and materials that need to be customized, such as doors, which need to be tailored based on the relevant floor-to-ceiling height), sanitary ware, furniture, electronic appliances etc. We are able to bulk purchase directly from manufacturers at competitive prices as we scale up. We exert stringent control on the materials used in the renovation process to ensure that our rental apartments comply with the relevant safety and environmental standards such as residual levels of formaldehyde and other chemicals.

The following are the key steps in our apartment renovation process. We outsource the renovation process, such as designing, reconstruction, installation, and inspection to qualified third-party contractors, who bid for blueprint drawing, construction, installation, and inspection orders. Contractors are selected and constantly evaluated based on multiple factors, including their qualifications, quality of work, and capability to meet our deadlines, for optimal allocation of the job requests.

Measuring. Measuring involves onsite measuring of the property. We have developed our proprietary measurement robot based on advanced technology. The robot can be operated by our staff onsite to measure the room size and structure of our apartments and generate a floorplan and an elevation in about 40 minutes. Our onsite professionals then upload the full room scan to our cloud server. This enhances measurement accuracy,

reduces time needed and saves labor costs. In the nine months ended June 30, 2019, each of our construction managers managed on average 159.9 rental units under construction.

Designing. Designing involves readjusting and construction drawing. We have developed a unique blueprint drawing process to break down one comprehensive set of blueprints into more than 20 distinctive renovation processes or steps under six design packages. This shortens the drawing process to 24 hours, and eliminates potential capacity bottlenecks.

Reviewing and Budgeting. Once the drawings are done, our system produces a detailed budget and work plan with the list of materials and products needed, the delivery schedule and construction work schedule, against which we track actual progress to avoid delays.

Reconstruction. Reconstruction involves demolition and renovation, reconstruction of water and electricity installation, plastering, wood-working and painting. We separate the reconstruction processes into distinctive construction orders, and contractors bid for each construction order through our project management system.

Installation. Installation involves installation of furniture and electric appliance. Contractors bid for installation orders, and to ensure the quality and timely completion of installation work, contractors are required to take pictures and record videos of the working sites at the end of every working day and upload them to the system for our remote approval.

Inspection and Review. To ensure the quality and timely completion of construction work, contractors are required to take pictures and record videos of the working sites upon completion of each step and upload them to our system for our remote approval. Our staff from our engineering department may also conduct onsite inspection on a selective basis. In addition, following the completion of the construction and installation, our staff from our engineering department will conduct an onsite check of air quality, and if formaldehyde tested exceeds the national permitted level in the PRC, we would air the room and conduct a follow-up check in a few days until the formaldehyde falls below the permitted level. In the nine months ended June 30, 2019, it took us on average 135.8 days to convert our leased-in apartments to available-for-rent units, taking into account the time needed to air the apartments.

Apartment Marketing and Leasing

Apartment Marketing

We conduct the majority of our marketing and sales process online, which improves our efficiency and provides a more convenient and transparent rental experience for tenants. We list the apartments on our website and mobile applications. Prospective tenants can search and view an apartment, and sign the lease online or via our interactive Qingke APP. Leveraging our data analytics, our Qingke APP displays available apartments in tenants' vicinity matching their inferred location and budget based on the price tiers of their smartphones, and the tenants may further fine-tune the search results using various criteria including location, rental price, proximity to subway line etc., making apartment searching more efficient. As of the date of this prospectus, for a majority of our listings, in addition to pictures, we also provide a 360-degree video of the apartments to give potential tenants a better view and to improve the efficiency of apartment viewing. Besides the searching and viewing functions, our Qingke APP also allows tenants to make appointments for in-person apartment viewing and interact with our sales staff live.

Mobile Map-based Apartment Search Interface on our APP

In addition to our website and Qingke APP, we use third-party platforms to promote our apartment rooms and acquire potential tenants, including search engines, online classified information platforms, online rental listing websites, and agents' WeChat corporate accounts.

In FY 2018, substantially all of our tenants were sourced online, and about half of them were through our website and Qingke APP.

Sales Management and Rental Pricing

We use a mobile-based, automated sales management system for our sales staff, who are our apartment managers, to bid for available rooms and tenant leads from call centers, track leasing process, manage rented rooms, etc. on their mobile phones or tablets. The system also allows us to track and evaluate their performance, including the number of visits completed, and the number of leases signed.

We apply our Smart Pricing System to price our lease-out rental through an automated, dynamic process, which takes into account data points including rent-in cost, decoration cost, historical transaction data (e.g., price and occupancy rate), demand fluctuations (e.g. low demand around the Chinese New Year holiday period and high demand in July and August with new college graduates moving out of campus), target occupancy rate, and market prices for apartments in similar conditions.

We have adopted a compensation structure for our sales staff, designed to better align their interest with ours to achieve a higher rental spread and reduce tenant acquisition costs. Our sales staff are generally paid a base salary plus performance-linked bonuses and other incentives to encourage full-price sales and longer-term leases.

We achieved average month-end occupancy rates of 91.6% and 92.4% in 2017 and 2018, respectively, the highest among major dispersed long-term rental apartment rental brands in China, according to China Insights Consultancy. Our acquisition cost per tenant in 2018, which was RMB367.0 (US$53.4), was the second lowest among China's major dispersed long-term apartment rental brands, according to the same source. Our rental

spread margin in 2018 was approximately 30%, the highest among China's major dispersed long-term apartment rental brands, according to China Insights Consultancy.

Tenant Vetting Process

Each tenant must go through our standardized tenant vetting process before we enter into a lease with him or her. Our tenant vetting process mainly includes identity authentication, criminal background checks and collection and verification of tenants' basic information. We are one of the earliest apartment rental platforms in China that utilize face recognition technology to verify the identity of a tenant. We are connected to the systems of the public security bureau to conduct tenant background checks and may reject lease applications if the background check results are unsatisfactory.

Tenant Relations and Property Maintenance

We provide after-rent services including bi-weekly cleaning of the common spaces and repair services as requested by tenants via our Qingke APP, our call centers and local property management office. Leveraging our technology platform, we have developed a number of services to improve the efficiency of our property maintenance practices and maximize tenant satisfaction. These include:

Smart door lock service. All our apartment and bedroom doors are equipped with smart digital locks and tenants can enter by tapping a digital access card. Some of our smart digital locks are equipped with Bluetooth function so that tenants can enjoy key-less apartment and bedroom access by logging into our Qingke APP with their Qingke accounts and passwords and pressing "I want to unlock a door" button in our Qingke APP. Our Qingke APP then sends a signal via Bluetooth to the digital locks on the apartment and bedroom doors. Alternatively, by tapping digital access cards or calling our call center, tenants may open the apartment and bedroom doors when their mobile phones run out of battery or lose internet access. In addition, through our digital locks, we have the ability to control the access to our apartments and bedrooms and may take over the relevant property if a tenant defaults on payment after sufficient warning pursuant to our lease agreement and the relevant PRC laws.

Repair request and service evaluation. Tenants may submit repair and maintenance requests on our Qingke APP, such as reporting a malfunctioning home appliance. Our service center will schedule appointments with tenants within 24-48 hours based on the urgency of such requests. To ensure the quality of the repair provided by our service providers, we ask our tenants to fill out a service evaluation questionnaire on our Qingke APP after the appointments.

We outsource the cleaning, maintenance and repair services to qualified third-party service contractors, who compete for orders on our bidding system. We worked with about 33 pre-approved service contractors employing over 420 personnel to provide cleaning and repair services to our tenants in the nine months ended June 30, 2019. To ensure the quality of the cleaning and repair services, contractors are required to upload pictures of work sites after completion of each service for our inspection and approval.

Our apartment managers regularly visit our apartments to inspect their condition, paying particular attention to potential safety hazards as well as potential causes of damage that could result in significant maintenance costs if left unaddressed, assess and document interior and exterior condition, and determine whether the tenant is adhering to the terms of their lease. They also schedule periodic in-person checks on service contractors' work quality. In addition, our apartment managers conduct inspections prior to scheduled tenant move-outs to notify tenants of any repairs they may need to undertake prior to moving out of the property, in order to avoid forfeiture of part or all of their security deposit. These inspections also allow us to begin preparing a scope of work and budget for the turnover work we undertake to prepare our apartments to be re-leased to a new tenant, and increase our ability to pre-market our apartments.

Self-help rental and bill payment. Our tenants may pay rental and utility bills via our Qingke Bao APP. The Qingke Bao APP consolidates all outstanding bills and connects to tenants' bank accounts. Once we receive the

authorization from the tenants, the Qingke Bao APP will automatically deduct the authorized amounts from the tenants' accounts to settle the bills.

We make tenant safety and security our priority. We engage third-party service contractors to inspect safety facilities and appliances in our rental apartments on a bi-weekly basis to identify any potential safety hazards. In addition, we may forfeit all or part of a tenant's security deposits or terminate the lease pursuant to the terms of the lease, if he or she violates the rules for our rental community in a serious way, such as causing nuances or otherwise jeopardizing other tenants or damaging our rental apartments or facilities.

Our Apartments and Services

Our Rental Units

Our rental units typically had net area (excluding common spaces) from 10 square meters to 15 square meters, with monthly rental from RMB1,000 (US$145.7) to RMB1,500 (US$218.5) in the nine months ended June 30, 2019, depending on the location and type of housing, etc. Our rental units are generally fitted with standardized interior styles, and are equipped with air conditioners and basic furniture including a bed, a wardrobe, a desk and a chair. Bathrooms and kitchens are equipped with standardized electrical appliances. We install a digital lock and separate electricity meter for each bedroom. All our apartments have pre-installed broadband internet access including WiFi.

The following are pictures of our standard bedrooms, bathroom and kitchen.

Standard Qingke Bedrooms

Standard Qingke Kitchen and Bathroom

When a new tenant moves in, our apartment managers conduct a tenant orientation, during which we revisit the terms of the lease, outline what aspects of the apartment's upkeep are the tenant's responsibility, walk through all of the home's major systems in order to familiarize the tenant with their safe and proper operation. During the move-in orientation, each tenant is provided with a "refrigerator list" and encouraged to keep a record of any non-emergency service items noted after moving into the apartment. By conducting an in-person move-in orientation, we are able to ensure that tenants understand their obligations under the terms of their lease, as well as how to safely and properly operate the apartment's systems, reducing both the likelihood of misaligned expectations and unnecessary wear and tear on the apartment.

The following is a summary of the key terms in a typical lease with tenant.

Contracted lease term. 26 months. Rental is fixed through the term of the lease.

Below is the expiration table of our leases with tenants as of June 30, 2019.

	Total leases with tenants	Leases expiring by the end of		
		FY 2019	FY 2020	FY 2021
Number of rental units with	93,331	4,844	17,480	71,007
Average annual rental represented by (RMB in million)	42.0	0.2	19.5	71.0
Percentage of total annual rental represented (%)	100	0.1	15.5	84.5

Lock-in Period. On June 30, 2019, the average lock-in period of our outstanding leases was 12.1 months and 72.2% of these leases had a lock-in period of 12 months or longer and the remainder had a lock-in period ranging from one to six months. From our inception to June 30, 2019, our tenants whose leases had a lock-in period of 12 months or longer stayed in our rental units for 12.1 months on average.

On June 30, 2019, tenants of 15.0% of all of our leases were in the process of applying for rental installment loans. If a tenant's rental installment loan application is approved, his or her lease will be subject to a lock-in period of 12 months or longer. If the rental installment loan application is denied, his or her lease will not be subject to such lock-in period and he or she may move out after all prepaid rents are used or enter into a new lease with us with an agreed lock-in period.

Since tenants who prepay rental for certain lease period can enjoy rental discount for the applicable lock-in period, and tenants who terminate the lease within the lock-in period are subject to forfeiture of their security deposits, our tenants may be incentivized to terminate their lease around the end or shortly after the expiry of the applicable lock-in period. In FY 2017, FY 2018 and the nine months ended June 30, 2019, the average lock-in period of our terminated leases with tenants was 9.8 months, 13.0 months and 11.7 months, respectively. In the same periods, tenants on average stayed in our rental units for 8.9 months, 8.7 months and 7.7 months, respectively.

Security deposit. Usually one to two months' rental to cover damages to the apartment, potential loss, tenant default and certain early termination as described below.

Rental prepayment and payment frequency. We encourage tenants to prepay rental by providing them with rental discount as well as subsidizing the interest payment for rental installment loan offered by one of our financial institution partners. Tenants who prepay at least six months' rental can enjoy a 5% discount, and tenants who prepay at least 12 months' rental can enjoy a 10% rental discount (subject to a RMB200.0 (US$29.1) limit per month after January 1, 2017) for the lock-in period. The rental prepayment helps us finance our expansion and operation. We typically give tenants five to ten days' grace period for rental payment.

Upon termination of the lease, we will return the unused portion of any prepaid rental to the tenant, or the financial institution where the tenant utilized the proceeds from the rental installment loan granted by the

financial institution to prepay the rental. It is common for tenants to terminate the leases before the expiration of the lease term. In the nine months ended June 30, 2019, 48.3% of our terminated leases with tenants were terminated before the expiration of the lease term covered by the prepayment, including 47.3% terminated before the expiration of the applicable lock-in period.

Tenants' initial stays. To encourage prospective tenants to try out our apartments, we have put in place a policy to allow tenants to cancel leases within three days from the move-in date, and we will return all rental, deposits and fees penalty free. If a new tenant cancels the lease on the fourth to seventh day, we will return all unused rental, deposit and fees penalty free. In the nine months ended June 30, 2019, approximately 7.8% of our leases with tenants were terminated during the first week of their leases.

Termination. If a tenant chooses to terminate the lease during the lock-in period, except for termination during the first week of the lease, the tenant's security deposit will be forfeited and other fees may apply. After the lock-in period, the tenant may terminate the lease anytime without penalty. If we choose to terminate the lease before the expiry of the lease term, except for termination upon tenant's default, we will generally facilitate tenant relocation and subsidize relocation-related expenses.

Utilities and internet access. Tenants are usually required to prepay utilities including water and electricity. We typically charge tenants a flat monthly fee for broadband internet access.

Other covenants of the tenants. Tenants shall not, without approval from us, sublease or allow unauthorized person to live in the apartments. Pets are not allowed in the apartments. Tenants shall abide by our tenant convention which includes requirements such as noise control, proper use of public area, paying bills in a timely manner, etc.

Our Value-added and New Retail Products and Services

We are committed to not just providing a room but a home to our tenants, and improving their overall quality of life. To that end, we offer a wide variety of value-added products and services through our engaging online and mobile platform and frequent offline group activities to alleviate the hassles and stress associated with moving into a new apartment and settling in a big city. These initiatives cater to tenants' lifestyle demand and foster a strong sense of community among our tenants, enhancing their brand loyalty.

We cooperate with third-party service providers to offer complementary bi-weekly cleaning of common spaces, and broadband internet and bedroom cleaning at a charge. Tenants can subscribe to the broadband internet service package or book the bedroom cleaning service through our one-stop Qingke APP.

In November 2018, we launched a membership-based new retail platform, Qingke Select, where our tenants may purchase certain products online and enjoy seamlessly integrated online-to-offline experience. We generate customized pop-up advertisements of products on Qingke Select when our tenants use the Qingke APP. We are exploring different monetization models for Qingke Select.

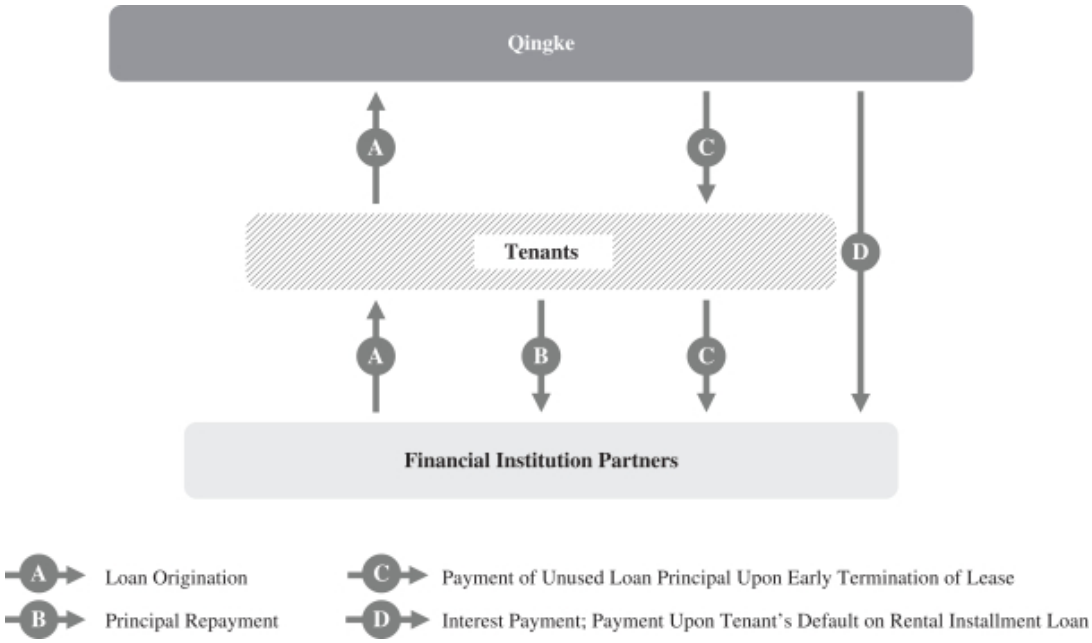
Our Cooperation with Financial Institutions

Cooperation on Rental Installment Loans

We cooperate with a number of financial institutions to facilitate rental installment financing for tenants who wish to obtain financing for rental prepayment. In line with industry practice, we provide guarantee and may also provide additional credit enhancement in the form of security deposits, usually no more than 5% of the total outstanding loan balance with the relevant financial institution, to our financial institution partners with respect to tenants' repayment of the rental installment loans. As of June 30, 2019, we cooperated with 11 financial institutions to facilitate rental installment loans, and the rental payment of 65.2% of our rental units had been facilitated by such financing. For more information, please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Rental Installment Loans".

When our financial institution partners approve a rental installment loan, an amount covering up to 24 months' rent (net of the discount for rental prepayment) will typically be released to the tenant's designated account at the financial institution partner, which will then be immediately transferred to our designated account through an entrusted payment arrangement between the tenant and the financial institution partner. The tenant repays the monthly installment of the principal amount of the loan, which is equal to the monthly rental (net of the discount for rental prepayment), to our financial institution partner over the lease term by authorizing the financial institution partner to deduct the amount from his or her account. Under such arrangement, the tenant may deposit funds into his or her account, but may not withdraw from such account without the authorization from the relevant financial institution partner. We typically pay the monthly interest on the rental installment loans to our financial institution partners for our tenants. When a lease is terminated, either by the tenant or by us, we are typically required to return, in a lump sum, the outstanding portion of the rental installment loan. The amount represents the rental for the remaining lease term (net of the discount for rental prepayment) and we are required to deposit it into the tenant's designated account at the financial institution partner within a prescribed period of time, ranging from 0 to 31 days after the termination, which will then be immediately deducted by the financial institution partner from such account.

Please refer to the chart below for the typical funds flow of a rental installment loan.



Our financial institution partners will notify the tenant and us a few days in advance when a payment is due from the tenant and when the tenant is delinquent on any payment. We will also send payment reminders to the tenant. In addition, through our smart digital door locks, we have the ability to control the access to our apartments and bedrooms and may take over the relevant property if a tenant defaults on payment after sufficient warning pursuant to our lease agreement and the relevant PRC laws. We may then lease the property to a new tenant to recover the rentals for the remaining period of the original lease. We seek to reduce the turn around time to rent out a vacated apartment through our efficient sales management system. The security deposits we require from our tenants, which on average represented 1.6 months' rental as of June 30, 2019, may also be used to cover delinquent payments.

We seek to prevent and minimize the risk of tenant payment default through our robust, standardized tenant screening process (which includes credit checks, evaluations of household income and criminal background checks through a third-party credit service provider). We are connected with the systems of the public security bureaus in some of our existing cities to verify certain identification and other information our tenant submit. In addition, we cooperate with a third-party credit consulting service provider to obtain credit reports for potential tenants and keep a blacklist of tenants who default on their rental or rental installment loan payment. For the nine months ended June 30, 2019, approximately 4.2% of our tenants defaulted on their rental or rental installment loan payment. In the cases of tenant default, historically, the forfeited tenant deposits usually covered the potential losses on our part.

Cooperation on Apartment Renovation

In August 2018, we started to work with a rental service company owned by a bank in apartment sourcing and renovation under a financing arrangement model. Under this model for certain newly sourced apartments, which has been implemented in Shanghai and Hangzhou, we continue to be responsible for the entire operating process, including identifying potential apartments for rent, rental pricing and procuring and paying for apartment renovation. Once we have finished the renovation, the rental service company reimburses us for our costs incurred for the renovation. We make payments to the rental service company in installments equal to the reimbursed renovation costs plus interest and tax over a period of five years. At the end of the five-year period, the ownership of the renovation will be transferred to us. Under this arrangement, we also sell leasehold improvements and furniture, fixtures and equipment of certain existing apartments to the rental service company at carrying value and simultaneously lease them back. We are required to place a security deposit in the amount of three times the total monthly rent with the bank, which will be doubled if our occupancy rate falls below 75% or 85% in Shanghai or Hangzhou, respectively. The cooperation has provided us with access to a stable source of low-cost capital to finance our apartment renovation upfront, which helps us scale in a cost-efficient manner. As of June 30, 2019, 24.1% of our total apartments were renovated pursuant to this cooperation.

Our Data Analytics and Data Security

Our Data Analytics

We have accumulated extensive data from apartment rental and other related activities, including apartment information data, project management data, and data on landlord and tenants' attributes. We have optimized our database structure to make it more suitable for AI and machine learning processes. The data we have accumulated are continuously fed into and refine our data analytics, which are the backbone of our business. Our big data analytic capabilities enable us to achieve data fusion across business scenarios upon our core database to drive our operation efficiency and additional revenue opportunities. As of June 30, 2019, our research and development team of 114 data scientists and engineers worked continually to optimize our proprietary analytical models and improve our analytic capabilities.

For example, once information of available-for-rent apartments is input into our system, we store, cleanse, structure and encrypt the data, including landlord information, apartment information including price, location, residential compound name, floor, layouts, size, etc., for modeling exercise in an aggregated and anonymized fashion. Our technology-driven Smart Pricing System estimates appropriate rental cost and price by selecting and parsing historical rentals from recent comparable transactions in adjacent area from our own transaction data and public market data collected from third parties, and then automatically adjusts the level of the rentals based on multiple influencing factors, including size, orientation, and floor (high, medium or low). Our data analytics enable us to effectively manage occupancy rates and rental rates and implement and adjust our marketing strategy based on real-time data feedback.

Our data analytics also help us manage a fast-growing number of suppliers and contractors efficiently. Our contractors and suppliers can bid for renovation requests and maintenance service orders in real-time in our

dynamic bidding system. We grade the contractors and suppliers based on their track record of project fulfillment and other criteria, and constantly update the grading based on the feedback from our systems for more efficient work allocation and better quality control.

We have also accumulated valuable data on our tenants from the apartment leasing process and after-rent services. Leveraging these data insights and our data algorithms, we are able to predict tenants' interests to construct big-data recommendation engines. This enables us to implement more tailored marketing and explore additional revenue opportunities.

Data Privacy and Security

Data privacy is of utmost importance to us. We dedicate significant resources to the goal of strengthening our user privacy protection, promoting a safe environment, and ensuring the security of user data.

Our tenants or landlords are required to register an account on our Qingke APP and sign up to a user agreement in the registration process. The user privacy section of the user agreement describes our data use practices and how privacy works. Specifically, we undertake to manage and use the data collected from users in accordance with applicable laws and make reasonable efforts to prevent the unauthorized use, loss, or leak of user data and will not disclose sensitive user data to any third party without users' approval except under legal requirement or certain circumstances specified in the user agreement. In addition, we use a variety of technologies to protect the data with which we are entrusted and have a team of privacy professionals dedicated to the ongoing review and monitoring of data security practices. For example, we store all user data in encrypted format and strictly limit the number of personnel who can access those servers that store user data. Only our senior management team and employees whose work is directly related have access to the data, and all of our employees must acquire prior approval to download any data. For our external interfaces, we also utilize firewalls to protect against potential attacks or unauthorized access.

We are committed to maintaining a secure information technology infrastructure. We are applying for the Level-3 data protection certification for our system by the relevant PRC regulatory authority, the highest level achievable by a non-financial institution in China. We have built a firewall that monitors and controls incoming and outgoing traffic and will automatically take reactive measures against threats. We also have a firewall between our private cloud services and public cloud services. We segregate our internal databases and operating systems from our external-facing services and intercept unauthorized access. We encrypt our data transmission, especially user data transmission, using sophisticated security protocols and algorithms to ensure confidentiality. We back up our user data and operating data on a daily basis in separate back-up systems to minimize the risk of user data loss or leakage. In particular, we have adopted comprehensive policies and measures to comply with the relevant PRC secrecy laws and regulations. We also provide personal information security protection training to our relevant employees, and require them to report any information security breach. Upon the occurrence of an information security breach, we will follow pre-determined procedures and systems to respond to any such incident in accordance with our policies and measures. We have also adopted and implemented a comprehensive set of rules and policies relating to information system integrity to prevent physical and cyberspace security breach, such as running code tests before applying new codes. We perform periodic reviews of our information technology infrastructure, identifying and mitigating problems that may undermine our system security.

Technology Systems and Infrastructure

Our technology-driven, end-to-end systems are built on a highly-scalable and reliable public and proprietary cloud-based technology infrastructure. We have invested heavily in standardization of our technology systems, which are in continuous maintenance and upgrade processes and built to have scalability to support our growth. Our information technology system includes (i) front-end mobile applications such as Qingke APP and Qingke mini program on WeChat; (ii) business management systems for each step of a rental transaction, such as our smart pricing and contractor bidding systems, (iii) support and management systems to provide back office and

operational management support, such as management reporting and performance evaluation and (iv) Internet of things technology to remotely manage our dispersed apartments, e.g. our smart electric meters and smart door locks.

We have built an efficient, scalable and stable information technology infrastructure to provide strong computing ability for our information systems. Our technology infrastructure has been fully integrated with our computer environments and business requirements to serve as a powerful engine for business operation. As of June 30, 2019, our information technology infrastructure included four data centers and over 200 servers, with over 510 access nodes and with storage capacity of over 680 terabytes.

- *Real-time analytics.* We ingest a large amount of data through multiple highly optimized points and analyze them using both offline batch processing and online real-time processing through streaming technologies. This architecture allows us to combine multiple data dimensions and apply various machine learning algorithms in real-time to our data, including in rental pricing and contractor bidding for renovation projects. For example, our system analyzes potential tenants' traits simultaneously while they are searching for rental units on our Qingke APP, and recommends relevant rental units based on their location and budget, etc. as inferred by our data analytics. In addition, our apartment sourcing team adjusts the number of new apartments to be leased in simultaneously according to our real-time lease-out operating data.
- *Scalability.* With modular architecture that is built to be horizontally scalable, our technology systems can be easily expanded as data storage and processing requirements increase to support our centralized management of a large dispersed portfolio of apartments. For example, our third-party servers can be expanded within a few minutes by simply submitting an expansion request. Our data repositories are clustered and our data processing architecture is distributed in several cities in China, which supports efficient expansion. When need arises, we can easily add servers and integrate them into our existing server clusters as either data nodes or processing nodes.
- *Stability.* Our technology layers have built-in software and hardware redundancy and will automatically switch if any error is detected. We implement a real-time data backup mechanism to ensure the reliability of our information technology infrastructure. Our system adopts modular architecture that consists of multiple connected components, each of which can be separately upgraded and replaced without compromising the functioning of other components. In addition, we have implemented a disaster recovery plan that involves hosting our information technology infrastructure in separate locations in China, including third-party backup data servers for disaster recovery. We believe our information technology infrastructure is highly stable. We have not experienced any major interruption of our information technology infrastructure since inception.

Risk Management

We face various types of risk in our business ranging from broad economic, rental market and interest rate risks, to more specific factors, such as re-leasing of properties and competition for properties, credit risk related to our tenants, and cash management risk where we are required to return the rental prepayment upon termination of a lease, either by tenants or by us due to, for example, tenant default.

We believe that our technology-driven systems and business processes allow us to monitor, manage and ultimately navigate these risks. For example, we seek to reduce the impact of increase in rental cost and shortage in supply by entering into long-term leases with landlords, with an agreed rent control period and a rent increase schedule. This provides us with a stable supply of properties as well as visibility into cost fluctuation.

We cooperate with a number of financial institutions, which provide rental installment loans to our tenants, and we provide guarantee. We may also provide additional credit enhancement in the form of security deposits, usually no more than 5% of the total outstanding loan balance with the relevant financial institutions with respect

to our tenants' repayment of the loans. We seek to prevent and minimize the risk of tenant default through our robust, standardized tenant screening process (which includes credit checks, evaluations of household income and criminal background checks), and technology, including the installation of smart digital locks on each of our apartment and bedroom doors to deny apartment and bedroom access if a tenant defaults on payment after sufficient warning, and our efficient sales management system to reduce the turn around time to rent out a vacated apartment. See "Risk Factors — Risks Related to Our Business and Industry — Our results of operation, financial condition, and reputation would be adversely affected if a significant number of our tenants fail to meet their obligations in connection with the lease."

We encourage tenants to prepay rental and have used the prepayments to finance our operation and expansion. To the extent a lease is terminated before the rental period covered by the prepayment, we shall, upon such termination, return the unused prepaid rents, typically in a lump sum, to the tenant, or to our financial intuition partner where the tenant has used the rental installment loan granted by such financial institution to finance his/her rental prepayment. To manage potential liquidity risks arising from such early termination, we have adopted a stringent cash management policy, which involves monitoring the level of outstanding rental installment loan on the one hand, and our expenses and other capital requirements and available sources of financing on the other hand on a monthly basis to determine the maximum scale of rental installment loan for the following month. We also regularly monitor our current and expected liquidity requirements to ensure that we maintain sufficient cash balances of at least one month's rental cost to meet our liquidity needs.

Furthermore, we have been exploring alternative sources of financing to reduce our reliance on tenants' rental prepayments. For example, in August 2018, we started to cooperate with a rental service company owned by a bank to finance apartment renovation under a financing arrangement model. See "— Our Cooperation with Financial Institutions — Cooperation on Apartment Renovation." As of June 30, 2019, 24.1% of our apartments were renovated pursuant to this cooperation. In the meantime, the total outstanding principal amount of rental installment loans decreased from RMB1,108.1 million (US$161.4 million) as of September 30, 2018 to RMB872.6 million (US$127.1 million) as of June 30, 2019. We have also been exploring asset light strategies, including sourcing furnished apartments from landlords to reduce our upfront capital outlay.

Research and Development

We invest substantial resources in research and product development. Our research and development efforts are focused primarily on improving our technology and developing new systems that are complementary to existing ones including our pricing system and project management system. As of June 30, 2019, we had a research and development team of 114 employees, representing more than 10% of our total employees.

Intellectual Properties

Our copyrights, trademarks, trade secrets, domain names and other intellectual properties are important to our business and we devote significant time and resources to their development and protection. We rely on intellectual property laws and confidentiality agreements to protect our intellectual property rights. In addition, we generally control access to and use of our proprietary and other confidential information through the use of internal and external controls, such as use of confidentiality agreements with our employees and outside consultants.

As of June 30, 2019, we had 33 copyrights, 31 trademarks and three domain names registered in China and five trademarks registered outside China. Our intellectual properties are complementary and indispensable to each other to form the basis of our services and solutions and our operational systems. We intend to file additional intellectual property applications as we continue to innovate through our research and development efforts, and to pursue additional intellectual property protection to the extent we deem it beneficial and cost-effective.

From time to time, we incorporate certain intellectual property licensed from third parties, including under certain open source licenses. Even if any such third-party technology did not continue to be available to us on commercially reasonable terms, we believe that alternative technologies would generally be available as needed. For additional information about our intellectual property and associated risks, see ‘‘Risk Factors—Risks Related to Our Business and Industry—We may be subject to intellectual property infringement or misappropriation claims by third parties, which may force us to incur substantial legal expenses and, if determined adversely against us, could materially disrupt our business.”

Competition

China’s long-term apartment rental market is highly competitive. We believe the principal competitive factors in the apartment rental market include:

- ability to source suitable and sufficient apartments across multiple regions with favorable lease terms, including contract length, rental-free period, rent-in costs, etc.;
- ability to use big data analysis to establish competitive lease terms with both landlords and tenants;
- ability to establish sustainable unit economic model;
- ability to renovate and operate rental apartments in an efficient and cost-effective manner;
- ability to achieve high standardization and manage a complex supply network;
- ability to maintain financial flexibility;
- geographic coverage and customer reach;
- ability to establish comprehensive IT and internet infrastructure to manage a large and fast-growing portfolio of rental apartments; and
- brand awareness and customer satisfaction, including the availability and range of value-added services to help foster a sense of community and loyalty among tenants.

In particular, our competitors in sourcing apartments are companies with business similar to us, which may be large participants in the apartment rental market and may have greater resources than we do. These competitors may rent apartments that meet our requirements before we do as they have rapid access to the information of available apartments. In addition, our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of rental apartments. Our primary competitors in renting out rental apartments include other companies with business similar to us and apartment owners who directly rent their apartments to tenants. Our competitors’ apartments may be newer, better located, at more affordable rents, with better incentives, amenities and value-added services and more attractive to tenants than our rental apartments may be. Our competitors may have higher rates of occupancy than we do, better access to tenant information or may have superior access to capital and other resources, which may result in our competitors more easily locating tenants and leasing available apartments at lower rental rates than we might offer at our rental apartments. Moreover, some competing housing options may qualify for government subsidies that may make such options more accessible and therefore more attractive than our rental apartments. However, we believe that our concentration on and experience in the apartment rental business, and our advanced system, and technology utilized in our apartment sourcing, renovation, operation and maintenance, provide us with competitive advantages.

Employees

As of September 30, 2016, 2017 and 2018, we had 677, 452, and 1,222 employees, respectively. Substantially all of our employees are based in China. The table below shows the number of our employees by function as of September 30, 2018.

Function	Number of Employees
Sourcing	44
Apartment marketing	133
Apartment leasing, tenant relations and property maintenance*	596
Research and development	161
Other	288
Total	**1,222**

* Including 542 employees who were apartment managers. In addition to our own employees, we had 643 apartment managers from our outside contractors as of September 30, 2018.

We have a well-trained and motivated workforce, and an effective training program to develop our operations and management staff to manage its rapidly expanding apartment network. Our Qingke College, together with regional management teams, offers structured training programs for sales, sourcing, and corporate staff. Our apartment sourcing team and sales staff are required to attend a three-day new-hire training program offered by our Qingke College covering topics such as Qingke corporate culture, sales and marketing, Qingke office software skills, sourcing skills, tenant service, and apartment operation standards. Our managers also attend team management, financial, and human resource management courses. In the nine months ended June 30, 2019, our operations and management staff on average received approximately 60 and 30 hours of training, respectively.

We have a comprehensive review and incentive system that aligns performance and compensation as well as internal promotions, which also enable us to motivate and retain our workforce. For example, a substantial portion of sourcing and sales staff's salary is based on their performance. In addition, at the end of each month, employees whose performance ranks bottom 20% will be required to attend compulsory trainings, half of whom may be discharged if their performance does not fulfil the requirements of their positions after such trainings.

Properties and Facilities

Our principal executive office is located in Shanghai, China, where we own the office space with an aggregate floor area of approximately 585.7 square meters as June 30, 2019. As of June 30, 2019, we leased approximately an aggregate of 23,078.2 square meters of office space in Shanghai, Hangzhou, Suzhou (including Kunshan), Nanjing, Wuhan and Beijing.

Insurance

In line with general market practice, we do not maintain any business interruption insurance, which is not typical in our industry or mandatory under PRC laws. We do not maintain key-man life insurance or insurance policies covering damages to our IT infrastructure or information technology systems. We also do not maintain insurance policies against risks relating to the contractual arrangements. We do not maintain insurance policies for landlords, tenants or contractors.

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, childbirth insurance, work-related injury insurance, employment injury insurance, maternity insurance, and unemployment insurance.

Legal Proceedings

We are currently not a party to any material legal or administrative proceedings. We may from time to time be subject to various legal or administrative claims and proceedings arising in the ordinary course of business. Litigation or any other legal or administrative proceeding, regardless of the outcome, is likely to result in substantial cost and diversion of our resources, including our management's time and attention.

REGULATIONS

We operate in an increasingly complex legal and regulatory environment. We are subject to a variety of PRC and foreign laws, rules and regulations across numerous aspects of our business. This section sets forth a summary of the principal PRC laws, rules and regulations relevant to our business and operations in the PRC.

Regulations Relating to Foreign Investment

Companies established and operating in the PRC shall be subject to *the Company Law of the PRC*, or the PRC Company Law, which was promulgated on December 29, 1993 and newly amended on December 28, 2013 and October 26, 2018. The PRC Company Law provides general regulations for companies set up and operating in the PRC, including foreign-invested companies. Unless otherwise provided in the PRC foreign investment laws, the provisions in the PRC Company Law shall prevail.

The establishment procedures, examination and approval procedures, registered capital requirement, foreign exchange restriction, accounting practices, taxation and labor matters of a wholly foreign-owned enterprise are governed by the *Wholly Foreign-owned Enterprise Law of the PRC*, which was promulgated on April 12, 1986 and newly amended on September 3, 2016. The *Implementation Regulations of the Wholly Foreign-owned Enterprise Law* was promulgated on December 12, 1990 and newly amended on February 19, 2014, which took effective as from March 1, 2014.

Investments in the PRC by foreign investors and foreign-invested enterprises are regulated by the *Catalog of Industries for Guiding Foreign Investment*, or the Foreign Investment Catalog, the latest version of which was promulgated by the NDRC and the PRC Ministry of Commerce, or the MOFCOM on June 28, 2017 and became effective as of July 28, 2017. The Foreign Investment Catalog categorizes the industries into two categories: encouraged industries and the industries within the catalog of special management measures, or the 2017 Negative List. The 2017 Negative List is further divided into two sub-categories: restricted industries and prohibited industries. Establishment of wholly foreign-owned enterprises is generally allowed in industries outside of the 2017 Negative List. For the restricted industries within the 2017 Negative List, some are limited to equity or contractual joint ventures, while in some cases Chinese partners are required to hold the majority interests in such joint ventures. In addition, restricted category projects are subject to government approvals and certain special requirements. Foreign investors are not allowed to invest in industries in the prohibited category. Industries not listed in the Catalog are generally open to foreign investment unless specifically restricted by other applicable PRC regulations. On June 28, 2018, the MOFCOM and the NDRC promulgated the *Special Administrative Measures (Negative List) for Foreign Investment Access (Edition 2018)*, or the 2018 Negative List, effective and replacing the 2017 Negative List on July 28, 2018. The 2018 Negative List expands the scope of permitted industries by reducing the number of industries that fall within the previous Negative List where restrictions on the shareholding percentage or requirements on the composition of board or senior management still exists.

Pursuant to the *Interim Provisions on the Investment of Foreign-invested Enterprise in China* implemented on September 1, 2000 and amended on May 26, 2006 and October 28, 2015, foreign investment enterprises may invest in encouraged and permitted projects in the PRC, but shall not invest in prohibited projects. Pursuant to the *Interim Administrative Measures on the Record-filing of the Incorporation and Changes of Foreign-invested Enterprises (2018 Revision)* implemented on June 30, 2018, and the Foreign Investment Catalog, the foreign-invested enterprises, whose incorporation and changes involve no approval under the special entry management measures stipulated by the State, shall be subject to the administrative measures on registration and within 30 days of the occurrence of the following change events, complete the registration of changes online procedure: (i) changes of basic information of foreign-invested enterprises; (ii) changes of basic information of investors of foreign-invested enterprises; (iii) changes of equity (share) on cooperation interest; (iv) merger, division and termination; and (v) pledge or transfer of property interests of foreign-invested enterprises to external parties. The changes of foreign-invested enterprises, which subject to the approval under the special entry management

measures, shall apply for approval procedures in accordance with relevant foreign investment laws and regulations.

As an epoch-making enactment, the Foreign Investment Law, as formally adopted by the second session of the thirteenth National People's Congress of China on March 15, 2019 , will become effective on January 1, 2020 and replace the trio of existing three laws regulating foreign investment in China, or the Three FIE Laws, 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, to become the legal foundation for foreign investment in the PRC. Generally speaking, the PRC Company Law or the PRC Partnership Law shall apply with respect to an FIE's organization. This is aimed to put an end to any discrepancy between the Three FIE Laws and the Company Law.

The Foreign Investment Law mainly stipulates four forms of foreign investors, which includes: (a) a foreign investor, individually or collectively with other investors, establishes a foreign-invested enterprise within PRC; (b) a foreign investor acquires stock shares, equity shares, interests in assets, or other like rights and interests of an enterprise within PRC; (c) a foreign investor, individually or collectively with other investors, invests in a new project within PRC; and (d) foreign investors invest in China through any other methods under laws, administrative regulations, or provisions prescribed by the State Council. Compared with the trio of the existing three laws regulating foreign investment in China and to sum up, the Foreign Investment Law is profoundly different in the following aspects:

(a) Application of a pre-establishment national treatment. According to the Foreign Investment Law, the PRC governments shall govern foreign investment according to the system of pre-establishment national treatment, which requires treatment given to foreign investors and their investments during the market access stage shall not be inferior to treatment afforded to PRC domestic investors and their investment except where a foreign investment falls into the orbit of the Negative List.

(b) Application of an updated Investment Management. Pursuant to the Foreign Investment Law, the State shall establish a foreign investment information report system. Foreign investors or FIEs shall submit investment information to the competent department for commerce through the enterprise registration system and the enterprise credit information publicity system. The content and scope of information subject to the reporting obligations shall be determined under the principle of necessity. In addition, the State shall establish a security review system for foreign investment, under which a security review shall be conducted for any foreign investment affecting or having the possibility to affect the state security.

In addition, the Foreign Investment Law also provides several protective rules and principles for foreign investors and their investments in the PRC, including, among others, that local governments shall abide by their policy commitments to the foreign investors and perform all contracts entered into in accordance with the law; foreign-invested enterprises are allowed to issue stocks and corporate bonds; except for special circumstances, in which case statutory procedures shall be followed and fair and reasonable compensation shall be made in a timely manner, expropriate or requisition the investment of foreign investors is prohibited; mandatory technology transfer is prohibited; foreign investors' funds are allowed to be freely transferred out and into the territory of PRC, which run through the entire lifecycle from the entry to the exit of foreign investment; and providing an all-around and multi-angle system to guarantee fair competition of foreign-invested enterprises in the market economy. Furthermore, the Foreign Investment Law provides that foreign invested enterprises established according to the existing laws regulating foreign investment may maintain their structure and corporate governance within five years after the implementation of the Foreign Investment Law, which means that foreign invested enterprises may be required to adjust the structure and corporate governance in accordance with the current PRC Company Law and other laws and regulations governing the corporate governance.

However, as the new law only provides for the most fundamental principles for the regulation of foreign investment, and its implementation rules have not been promulgated, it remains uncertain with respect to many

issues and matters involving details of governmental administration, such as what's the relationship between the current record filing system and the information report system, the transition arrangement between now and the effective date thereof, which are still pending clarification and more specific guidance to be given by the State Council, the MOFCOM, and other relevant governmental agencies.

Regulations Relating to Foreign Investment in the Value-Added Telecommunication Services

The *Telecommunications Regulations of the People's Republic of China*, which was promulgated by the State Council on September 25, 2000 and last amended on February 6, 2016, categorizes all telecommunications businesses in China as either basic telecommunications businesses or value-added telecommunications businesses. Further, according to the *Catalog of Telecommunications Business*, attached to the Telecommunications Regulations and last mended by the MIIT on December 28, 2015, information services provided via fixed network, mobile network and Internet fall within value-added telecommunication services.

The State Council promulgated the *Administrative Rules on Foreign-invested Telecommunications Enterprises* in December 2001, as last amended on February 6, 2016, or the FITE Regulations. The FITE Regulations set forth detailed requirements with respect to capitalization, investor qualifications and application procedures in connection with the establishment of a foreign-invested telecommunications enterprise. These administrative rules require a foreign-invested value-added telecommunications enterprises in mainland China to be established as Sino-foreign joint ventures, which the foreign investors may acquire up to 50% of the equity interest of such enterprise.

In July 2006, MIIT publicly released the *Notice on Strengthening the Administration of Foreign Investment in Operating Value-added Telecommunications Business*, or the MIIT Notice, which reiterates certain provisions under the FITE Regulations. According to the MIIT Notice, if any foreign investor intends to invest in a PRC telecommunications business, a foreign-invested telecommunications enterprise must be established and such enterprise must apply for the relevant telecommunications business licenses. Under the MIIT Notice, domestic telecommunications enterprises are prohibited from renting, transferring or selling a telecommunications license to foreign investors in any form, and from providing any resources, premises, facilities and other assistance in any form to foreign investors for their illegal operation of any telecommunications business in China.

Regulations Relating to Residential Tenancy

The laws and regulations governing residential tenancy in China are still developing and evolving. Most of them are in the form of government opinions, rules or circulars issued by different government agencies at the national or local level rather than detailed legislations. These government opinions, rules or circulars are aimed at encouraging, facilitating and guiding the development of residential tenancy market. The following provides a summary.

On January 6, 2015, the Ministry of Housing and Urban-rural Construction, or MOHURD, released *Guidelines on the cultivation and development of residential tenancy market*, which encourage the establishment of residential tenancy organizations. Residential tenancy organizations are encouraged to purchase or lease homes for long-term, and re-decorate the homes before renting out to the public.

Furthermore, on May 17, 2016, the State Council released *Several Opinions of the General Office of the State Council on Accelerating the Cultivation and Development of the Home-Rental Market*, which set forth the following principles:

- Transformation on properties for rental is allowed. Commercial properties are allowed to be transformed to rental homes with land use duration and plot ratio unchanged, the purpose of land use shall be adjusted from commercial to residential, and after the adjustment, the prices of utilities like water, electricity, and gas shall follow residential standards. Transformation on residential properties

for rental according to the national and local housing design standards is allowed, and the transformation shall not alter existing fire-proof compartmentation, emergency evacuation or fire separation facilities so as to ensure the intactness and validation of fire protection facilities.

- Preferential policies encouraging individuals to rent out homes shall be implemented and individuals shall be encouraged to rent out their proprietary properties in accordance with the laws. Leasing of residential properties by individuals shall be regulated. Individuals are encouraged to entrusting their homes to home-rental enterprises or intermediary agencies for rental.
- Local governments shall adopt preferential policies and measures to support leasing of residential properties by individuals, and guide urban residents to resolving housing issues through residential tenancy. Laws and regulations on residential tenancy shall clearly define the rights and obligations of the parties in residential tenancy, regulate market conducts, and stabilize landlord-tenant relationship. Exemplary residential lease texts and online execution of contract shall be implemented, and the residential lease registration and recordation system shall be implemented.
- Provincial-level governments shall strengthen the administration of home rental market within their respective administrative regions. Municipal governments shall take the general charge of the administration of the home-rental market within their respective administrative regions, establish a regulatory system with the cooperation of multiple departments. Local governments shall establish a residential tenancy information service and regulatory system to promote information sharing between government agencies.
- Local housing authorities shall be responsible for the administration and coordination of the home-rental market, strengthen the administration of residential tenancy market in coordination with relevant departments, improve the credit administration system of residential tenancy enterprises, intermediary agencies and professionals, and keep credit records of relevant market participants which shall be incorporated into the national credit information sharing platform for the regulation and punishment of market participants with serious loss of credit. The public security authorities shall strengthen the public security administration of rented properties, residential tenancy and the residence registration in rental homes residential tenancy, urge and guide neighborhood committees, villagers committees, property service enterprises and other administration entities in screening for potential safety risks. All related government agencies shall, according to their powers, duties and division of work, investigate and prosecute the engagement in illegal activities in rented homes.

On May 19, 2017, the MOHURD published for public discussion the *Measures on Management of Residential Tenancy and Home Sales (Discussion Draft)*, the deadline of receiving comments of which was June 19, 2017 and as of the date hereof, the MOHURD has not yet promulgated and made public any further rules, regulations, notices or circulars in this regard. However, it reflects, to certain extent, the regulatory thinking with regard to residential tenancy as follow:

- Landlords shall ensure the safety and basic function of rented homes. Residential tenancy enterprises shall screen the identity of tenants and keep a truthful record thereof. Landlords shall not evict the tenants through violence, threats, or other coercive methods to repossess the properties.
- Landlords shall ensure that each room in the rented homes conforms to certain standards regarding maximum of tenants and minimum floor space in a single room. Such standards shall be promulgated by local authorities. Non-residence space such as kitchens, bathrooms, balconies and basement storage space shall not be rented for residential purpose.
- Leases shall contain a duration clause. Duly executed leases that last over three years are encouraged and shall receive support by local governments.
- Landlords and tenants shall register signed leases at the local housing authorities within 15 days after the execution of the leases.

- Residential tenancy enterprises shall, within 30 days of its establishment, report to local housing authorities. Housing authorities shall publish information of residential tenancy enterprises in a timely manner and inspect residential tenancy enterprises.

On July 18, 2017, the MOHURD, the National Development and Reform Commission, or the NDRC, and the Ministry of Public Security, or the MPS, jointly released *Notice of Accelerating the Development of Residential Tenancy Industry in Large to Medium Sized Cities with Positive Population Influx*, which states the following:

- Institutionalized residential tenancy enterprises are encouraged. Home developers, realtors and property management enterprises are encouraged to expand its business into residential tenancy industry.
- Housing authorities shall establish an online lease recordation system. Housing authorities shall also regulate and supervise the rental process in the residential tenancy industry including ensuring the truthfulness of residential tenancy advertisements and standardizing the residential tenancy process.
- To increase the supply of rental homes, local governments are encouraged to provide new land zoned for residential tenancy properties. Financial institutions are encouraged to extend more loans to residential tenancy enterprises with controllable risks and sustainable business operation.
- Different departments in local governments shall jointly enforce laws and regulations regarding residential tenancy and maintain the order of the residential tenancy market.

Since 2017, local governments of major cities in the PRC, including but not limited to Shanghai, Beijing, Hangzhou, Suzhou, Wuhan, Nanjing have promulgated notices regarding the measures to implement policies released by the state council and Ministry of Housing and Urban-rural Construction, which mainly include (i) tax and financial support to residential tenancy industry; (ii) improvement of local rules on residential tenancy; (iii) standards regarding maximum tenants and minimum floor space in a single rented room. To further illustrate this point, we summarize the standards regarding maximum tenants and minimum floor space in a single rented room adopted by the local governments in Beijing, Shanghai, Hangzhou, Suzhou, Wuhan and Nanjing as below:

- Beijing: non-residence space such as kitchens, bathrooms, balconies and basement storage space is not allowed to be rented for residential purpose; a room is not allowed to be divided into smaller sections for rental; the minimum rented floor space per capita is five square meters; a single rented room is not allowed to accommodate more than two persons.
- Shanghai: residential tenancy are banned if: (i) a single room is divided into smaller sections for rental; (ii) non-residence space such as kitchens, bathrooms, balconies and basement storage space is rented residential purpose; (iii) rented floor space per capita is below five square meters; or (iv) a single rented room accommodates more than two persons. Living rooms are allowed to be rented only if the floor space exceeds 12 square meters.
- Hangzhou: non-residence space such as dining rooms, kitchens, bathrooms, balconies, corridors, storage room and basement storage space is not allowed to be rented for residential purpose; a single room is not allowed to be divided into smaller sections for rental; living rooms are allowed to be rented for residence purpose; the minimum rented floor space per capita is four square meters.
- Suzhou: non-residence space such as kitchens, bathrooms, balconies, garage and basement storage space is not allowed to be rented for residential purpose; a single room is not allowed to be divided into smaller sections for rental; living rooms with floor space over 12 square meters are allowed to be rented for residence purpose; the minimum rented floor space per capita is four square meters; a single rented room is not allowed to accommodate more than two persons.
- Wuhan: non-residence space such as dining rooms, kitchens, bathrooms, balconies, corridors, storage room and basement storage space is not allowed to be rented for residential purpose; a single room is

not allowed to be divided into smaller sections for rental; living rooms with floor space over 12 square meters are allowed to be rented for residence purpose; the minimum rented floor space per capita is five square meters; a single rented room is not allowed to accommodate more than two persons.

- Nanjing: non-residence space such as kitchens, bathrooms, balconies, garage and basement storage space is not allowed to be rented for residential purpose; a room is not allowed to be divided into smaller sections for rental; the minimum rented floor space per capita is 15 square meters; a single rented room is not allowed to accommodate more than two persons.

Regulations Relating to Leasing

In March 1999, the National People's Congress, or the NPC, passed the *PRC Contract Law*, of which Chapter 13 governs lease contracts. According to the *PRC Contract Law*, subject to the consent of the lessor, the lessee may sublease the leased item to a third party. Where the lessee subleases the leased item, the leasing contract between the lessee and the lessor remains valid. The lessor is entitled to terminate the contract if the lessee subleases the leased item without the consent of the lessor.

Under the *Law on Urban Real Estate Administration* promulgated by the Standing Committee of National People's Congress, or the SCNPC, which took effect in January 1995 and amended in August 2009 and the *Administrative Measures for Commodity House Leasing* promulgated by the Ministry of Housing and Urban-rural Construction, which took effect in February 2011, when leasing premises, the lessor and lessee are required to enter into a written lease contract prescribing such provisions as the leasing terms, use of the premises, rental price, rental payment and repair liabilities, and other rights and obligations of both parties. Both lessor and lessee are also required to file the lease contract with the local real estate administration department. Pursuant to these laws and regulations and various local regulations, if the lessor and lessee fail to go through the recordation procedure in the prescribed period, both lessor and lessee may be subject to administrative penalties, and the leasing interest therein will be subordinated to third parties' rights.

Furthermore, according to the *Law on Urban Real Estate Administration*, the leasing of residential premises shall correspond with the rules and policies stipulated by the people's government of the State and the region where these residential premises are located.

In Shanghai, since January 2015, several qualified institutions have been encouraged to engage in the long-term lease and sublease of the vacant premises or accept commission from the owners or other holders to lease their properties. Each of these institutions shall be registered as an independent enterprise legal entity and be approved to conduct "real estate agency" business.

Regulations Relating to Decoration Projects

Under the Law *on Construction* promulgated by the SCNPC, which took effect in November 1997 and amended in July 2011 and the *Regulations on the Quality Management of Construction Projects*, or the Construction Projects Regulations, which took effect in January 2000 and amended in October 2017, in the case of a decoration project involving a change of the main structure or load-bearing structure of a building, the owner of this project shall be obliged to acquire the design scheme from the original design entity or another design entity with the corresponding qualification grade prior to its implementation and operation. If the decoration project is carried out without the qualified design scheme, the owner may be required to amend this and subject to administrative fines. Pursuant to the Construction Projects Regulations, where the owner of a construction project, commits any of the following acts, it shall be ordered to make corrections, and shall be imposed a fine of not less than 2% but not more than 4% of the contractual project price; if any losses have been caused, it shall be liable for making compensation including (i) arbitrarily delivering the project for use before organizing the acceptance inspection, (ii) arbitrarily delivering the project for use in the event that the project has not passed the acceptance inspection, or (iii) inspecting and accepting a substandard construction project as one which is up to

standards. With a view to controlling the air contamination and hazards in an indoor space, in 2002 the State Environmental Protection Administration issued the *Indoor Air Quality Standards* (GB/T18883-2002), which was generally applicable to residential and office building as well as other similar indoor environment. Subsequently, in 2013 the MOHURD promulgated the *Standard for Indoor Environmental Pollution Control of Civil Building Engineering* (GB50325-2010) to further stipulate the standards for preventing the indoor environmental hazards generated by construction materials and decorative building materials used for a civil building engineering, inter alia, radon, methanol, aminobenzene, toluene and xylene and total volatile organic compounds. To sum up, the rental apartments we are operating shall be up to the air quality and environmental protection standards as listed above before they are rented out to the tenants, otherwise we may be subject to the civil liabilities or administrative fines for our failure in compliance with all the environmental laws or regulations or technical standards relating to renovation of our rental apartments.

Regulations on Consumer Protection

In October 1993, the SCNPC promulgated the *Law on the Protection of the Rights and Interests of Consumers*, or the Consumer Protection Law, which became effective on January 1, 1994 and was further amended on August 27, 2009 and October 25, 2013. Under the Consumer Protection Law, any business operator providing a commodity or service to a consumer is subject to certain mandatory requirements, including the following:

(a) to ensure that commodities and services up to certain safety requirements;

(b) to protect the safety of consumers;

(c) to disclose serious defects of a commodity or a service and to adopt preventive measures against occurrence of damage;

(d) to provide consumers with accurate information and to refrain from conducting false advertising;

(e) to obtain consents of consumers and to disclose the rules for the collection and/or use of information when collecting data or information from consumers; to take technical measures and other necessary measures to protect the personal information collected from consumers; not to divulge, sell, or illegally provide consumers' information to others; not to send commercial information to consumers without the consent or request of consumers or with a clear refusal from consumers;

(f) not to set unreasonable or unfair terms for consumers or alleviate or release itself from civil liability for harming the legal rights and interests of consumers by means of standard contracts, circulars, announcements, shop notices or other means;

(g) to remind consumers in a conspicuous manner to pay attention to the quality, quantity and prices or fees of commodities or services, duration and manner of performance, safety precautions and risk warnings, after-sales service, civil liability and other terms and conditions vital to the interests of consumers under a standard form of agreement prepared by the business operators, and to provide explanations as required by consumers; and

(h) not to insult or slander consumers or to search the person of, or articles carried by, a consumer or to infringe upon the personal freedom of a consumer.

Business operators in China may be subject to civil liabilities for failing to fulfill the obligations discussed above. These liabilities include restoring the consumer's reputation, eliminating the adverse effects suffered by the consumer, and offering apology and compensation for any loss thus incurred to the consumer. The following penalties may also be imposed by relevant governmental agencies upon business operators for the infraction of these obligations: issuance of a warning, confiscation of any illegal income, imposition of a fine, an order to cease business operation, revocation of its business license or imposition of criminal liabilities under circumstances that are specified in laws and statutory regulations.

In December 2003, the Supreme People's Court in China enacted the *Interpretation of Some Issues Concerning the Application of Law for the Trial of Cases on Compensation for Personal Injury*, which further enhances the liabilities of business operators engaged in the operation of accommodation, restaurants, or entertainment facilities and subjects such operators to compensatory liabilities for failing to fulfill their statutory obligations to a reasonable extent or to guarantee the personal safety of others.

Regulations relating to Information Security and Censorship

Internet content in China is also strictly regulated and restricted from a state security standpoint. Pursuant to the *Decision Regarding the Protection of Internet Security* enacted by the SCNPC on December 28, 2000, which was amended on August 27, 2009, any attempt to undertake the following actions may be subject to criminal punishment in China:

(a) gaining improper entry into a computer or system of national strategic importance;

(b) disseminating politically disruptive information;

(c) leaking government secrets;

(d) spreading false commercial information; or

(e) infringing intellectual property rights.

The MPS has also promulgated a series of measures that prohibit the use of the internet in ways that, among other things, result in the leakage of government secrets or the spread of socially destabilizing content. The MPS and its local counterparts have supervision and inspection powers in this regard, and we may be subject to the jurisdiction of the local security bureaus. If an internet information service provider violates these measures, the PRC government may revoke its license and shut down its website. In 1997, the MPS issued the *Administration Measures on the Security Protection of Computer Information Network with International Connections*, which was amended by the State Council on January 8, 2011 and prohibited using internet in ways which, among others, resulted in a leakage of state secrets or spreading of socially destabilizing content.

Moreover, on December 7, 2016, the SCNPC promulgated the *Cyber Security Law of the People's Republic of China*, which became effective on June 1, 2017, pursuant to which, network operators shall comply with laws and regulations and fulfill their obligations to safeguard security of the network when conducting business and providing services. Those who provide services through networks shall take technical measures and other necessary measures pursuant to laws, regulations and compulsory national requirements to safeguard the safe and stable operation of the networks, respond to network security incidents effectively, prevent illegal and criminal activities, and maintain the integrity, confidentiality and usability of network data, and the network operator shall not collect the personal information irrelevant to the services it provides or collect or use the personal information in contravention of the laws or agreements between both parties.

Regulations relating to Protection of User Identity and Information

The security and confidentiality of information on the identity of internet users are also highly regulated in China. The *Internet Information Service Administrative Measures* promulgated by the State Council requires internet information service providers to maintain an adequate system that protects the security of user information. In December 2005, the MPS promulgated the *Regulations on Technical Measures of Internet Security Protection*, requiring internet service providers to utilize standard technical measures for internet security protection. Moreover, the *Rules for Regulating the Market Order of Internet Content Services, which was promulgated in December 2011, further* enhances the protection of internet users' personal information by prohibiting internet information service providers from unauthorized collection, disclosure or use of personal information of their users.

In December 2012, the SCNPC promulgated the *Decision on Strengthening Network Information Protection* to enhance the legal protection of information security and privacy on the internet. On July 16, 2013, the

Ministry of Industry and Information Technology, or the MIIT, promulgated the *Provisions for the Protection of Telecommunication and Internet User Personal Information*, or the *Provisions for the Protection of Person Information.* According to the Provisions for the Protection of Person Information, under which Internet information service providers are subject to strict requirements to protect personal information of internet users, including: if a network service provider wishes to collect or use personal information, such personal information collected shall be used only in connection with the services to be provided by Internet information service providers to such users and shall be kept in strict confidence. Furthermore, it must disclose to its users the purpose, method and scope of any such collection or usage, and must obtain consent from the users whose information is being collected or used. Network service providers are also required to establish and publish their protocols relating to personal information collection or usage, keep any collected information strictly confidential and take technological and other measures to maintain the security of such information. Network service providers are required to cease any collection or usage of the relevant personal information, and de-register the relevant user account, when a user stops using the relevant Internet service. Network service providers are further prohibited from divulging, distorting or destroying any such personal information, or selling or providing such personal information unlawfully to other parties. In addition, if a network service provider appoints an agent to undertake any marketing or technical services that involve the collection or usage of personal information, the network service provider is required to supervise and manage the protection of the information. Pursuant to the Provisions for the Protection of Person Information, in broad terms, that violators may face warnings, fines, public exposure and, in the most severe cases, criminal liability.

Regulations relating to Mobile Internet Applications Information Services

In China a mobile internet application is governed by the *Provisions on the Administration of Mobile Internet Application Information Services*, or the Provisions on Administration of Application, as promulgated by the Cyberspace Administration of PRC on June 28, 2016 and became effective on August 1, 2016.

Pursuant to the Provisions on Administration of Application, application information service providers shall obtain the relevant qualifications as required by laws and regulations, strictly implement their information security management responsibilities, and carry out the duties including to establish and complete user information security protection mechanism, to establish and complete information content inspection and management mechanisms, to protect users' right to know the right to choose in the process of usage, and to record users' daily information and preserve it for sixty (60) days.

Regulation Relating to Intellectual Property

The Copyright Law

PRC has enacted various laws and regulations relating to the protection of copyright. PRC is a signatory to some major international conventions on protection of copyright and became a member of the Berne Convention for the Protection of Literary and Artistic Works in October 1992, the Universal Copyright Convention in October 1992, and the Agreement on Trade-Related Aspects of Intellectual Property Rights upon its accession to the World Trade Organization in December 2001.

The Copyright *Law of the PRC (2010 Revision)*, or the Copyright Law, which was promulgated on September 7, 1990 and subsequently amended on October 27, 2001 and February 26, 2010 and the Implementation Regulation of the Trademark Law of the PRC promulgated by the State Council on August 2, 2002 and further amended on January 8, 2011 and January 30, 2013 provides that Chinese citizens, legal persons, or other organizations shall, whether published or not, enjoy copyright in their works, which include, among others, works of literature, art, natural science, social science, engineering technology and computer software. The purpose of the Copyright Law aims to encourage the creation and dissemination of works which is beneficial for the construction of socialist spiritual civilization and material civilization and promotes the development and prosperity of Chinese culture.

Pursuant to the *Computer Software Protection Regulations*, as promulgated by the State Council on December 20, 2001, and most recently amended on January 30, 2013, Chinese citizens, legal persons and other organizations shall enjoy copyright on the software they develop, regardless of whether the software has been released publicly. Software copyright commences from the date on which the development of the software is completed. The protection period for software copyright of a legal person or other organizations shall be 50 years, concluding on December 31 of the 50th year after the software's initial release. In order to further implement the Computer Software Protection Regulations, the State Copyright Bureau issued the Regulations for Computer Software Copyright Registration Procedures on February 20, 2002, which apply to software copyright registration, license contract registration and transfer contract registration.

The Trademark Law

Trademarks are protected by the *Trademark Law of the People' Republic of China (2013 Revision)* which was promulgated on August 23, 1982 and subsequently amended on February 22, 1993, October 27, 2001 and August 30, 2013 respectively as well as the *Implementation Regulation of the PRC Trademark Law* adopted by the State Council on August 3, 2002 and further amended on April 29, 2014. In China, registered trademarks include commodity trademarks, service trademarks, collective trademarks and certification trademarks.

The Trademark Office under the State Administration of Industry and Commerce, or the SAIC, handles trademark registrations and grants a term of ten years to registered trademarks. Trademarks are renewable every ten years where a registered trademark needs to be used after the expiration of its validity term. A registration renewal application shall be filed within 12 months prior to the expiration of the term. A trademark registrant may license its registered trademark to another party by entering into a trademark license contract. Trademark license agreements must be filed with the Trademark Office to be recorded. The licensor shall supervise the quality of the commodities on which the trademark is used, and the licensee shall guarantee the quality of such commodities. As with trademarks, the PRC Trademark Law has adopted a "first come, first file" principle with respect to trademark registration. Where the trademark for which a registration application has been made is identical or similar to another trademark which 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 may not prejudice the existing right first obtained by others, nor may any person register in advance a trademark that has already been used by another party and has already gained a "sufficient degree of reputation" through such party's use.

The Patent Law

According to the *Patent Law of the People's Republic of China (2008 Revision)* promulgated by the SCNPC, and its Implementation Rules (2010 Revision) promulgated by the State Council, the State Intellectual Property Office of the PRC is responsible for administering patents in the PRC. The patent administration departments of provincial or autonomous regions or municipal governments are responsible for administering patents within their respective jurisdictions. The Patent Law of the PRC and its implementation rules provide for three types of patents, "invention", "utility model" and "design". Invention patents are valid for twenty years, while design patents and utility model patents are valid for ten years, from the date of application. The Chinese patent system adopts a "first come, first file" principle, which means that where more than one person files a patent application for the same invention, a patent will be granted to the person who files the application first. To be patentable, invention or utility models must meet three criteria: novelty, inventiveness and practicability. Except under certain specific circumstances provided by law, any 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 the patent rights.

Domain Names

On May 29, 2012, the China Internet Network Information Center, or the CNNIC issued *the Implementing of the Rules for China Internet Network Information Center Domain Name Registration (2012 Revision)*, setting forth detailed rules for registration of domain names. The MIIT promulgated the Administrative Measures on Internet Domain Name, or the Domain Name Measures on August 24, 2017, which became effective on November 1, 2017. According to the Domain Name Measures, domain name owners are required to register their domain names and the MIIT is in charge of the administration of PRC Internet domain names. The domain name services follow a "first come, first file" principle. Applicants for registration of domain names shall provide their true, accurate and complete information of such domain names to and enter into registration agreements with domain name registration service institutions. The applicants will become the holders of such domain names upon the completion of the registration procedure.

Regulations Relating to Foreign Exchange

General Administration of Foreign Exchange

Foreign currency exchange in China is primarily governed by the *Foreign Exchange Control Regulations of the PRC*, or the Foreign Exchange Administration Rules, promulgated by the State Council on January 29, 1996 and last amended on August 5, 2008, and various regulations issued by the State Administration of Foreign Exchange, or the SAFE and other relevant PRC government authorities. Under the Foreign Exchange Administration Rules, the RMB is freely convertible into other currencies for routine current account items, including distribution of dividends, payment of interest, trade and service-related foreign exchange transactions. The conversion of RMB into other currencies for most capital account items, such as direct equity investment, overseas loan, and repatriation of investment, however, is still regulated. Payments for transactions that take place within the PRC must be made in RMB. Unless otherwise approved, PRC companies may repatriate foreign currency payments received from abroad or retain the same abroad. Foreign-invested enterprises may retain foreign exchange in accounts with designated foreign exchange banks under the current account items subject to a cap set by the SAFE or its local office. Foreign exchange proceeds under the current accounts may be either retained or sold to a financial institution engaging in settlement and sale of foreign exchange pursuant to relevant rules and regulations of the State. For foreign exchange proceeds under the capital accounts, approval from the SAFE is required for its retention or sale to a financial institution engaging in settlement and sale of foreign exchange, except where such approval is not required under the relevant rules and regulations of the PRC.

Pursuant to the Notice of the SAFE on *Further Improving and Adjusting Foreign Exchange Administration Policies for Direct Investment*, or the SAFE Notice No. 59, as promulgated by SAFE on November 19, 2012 and further amended on May 4, 2015 and October 10, 2018, approval is not required for the opening of an account entry in foreign exchange accounts under direct investment, for domestic transfer of the foreign exchange under direct investment. SAFE Notice No. 59 also simplified the capital verification and confirmation formalities for foreign invested entities and the foreign capital and foreign exchange registration formalities required for the foreign investors to acquire the equities of a Chinese party, and further improve the administration on exchange settlement of foreign exchange capital of foreign invested entities.

On February 13, 2015, SAFE promulgated the Notice on Simplifying and Improving the Foreign Currency Management Policy on Direct Investment, effective June 1, 2015, which canceled the administrative approvals of foreign exchange registration of direct domestic investment and direct overseas investment. In addition, it simplified the procedure of registration of foreign exchange and investors shall register with banks for direct domestic investment and direct overseas investment.

The Notice of the SAFE on *Reforming the Management Approach regarding the Settlement of Foreign Capital of Foreign-invested Enterprise*, or the SAFE Notice No. 19, was promulgated on March 30, 2015 and became effective on June 1, 2015. According to the SAFE Notice No. 19, a foreign-invested enterprise may, in

response to its actual business needs, settles with a bank the portion of the foreign exchange capital in its capital account for which the relevant foreign exchange bureau has confirmed monetary contribution rights and interests (or for which the bank has registered the account-crediting of monetary contribution). For the time being, foreign-invested enterprises are allowed to settle 100% of their foreign exchange capitals on a discretionary basis; a foreign-invested enterprise shall truthfully use its capital for its own operational purposes within the scope of business; where an ordinary foreign-invested enterprise makes domestic equity investment with the amount of foreign exchanges settled, the invested enterprise shall first go through domestic re-investment registration and open a corresponding account for foreign exchange settlement pending payment with the foreign exchange bureau (bank) at the place of registration.

The Notice of the SAFE on *Reforming and Regulating Policies on the Control over Foreign Exchange Settlement of Capital Accounts*, or the SAFE Notice No. 16, was promulgated and became effective on June 9, 2016. According to the SAFE Notice No. 16, enterprises registered in PRC may also convert their foreign debts from foreign currency into RMB on self-discretionary basis. The SAFE Notice No. 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. The SAFE Notice No. 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 and may not be used for investment in securities or other investment with the exception of bank financial products that can guarantee the principal within PRC unless otherwise specifically provided. Besides, the converted RMB shall not be used to make loans for related enterprises unless it is within the business scope or to build or to purchase any real estate that is not for the enterprise own use with the exception for the real estate enterprises.

On January 26, 2017, SAFE promulgated the *Notice on Further Improving Reform of Foreign Exchange Administration and Optimizing Genuineness and Compliance Verification*, or the SAFE Notice No. 3, which stipulates several capital control measures with respect to the outbound remittance of profits from domestic entities to offshore entities, including (i) under the principle of genuine transaction, banks shall check board resolutions regarding profit distribution, the original version of tax filing records and audited financial statements; and (ii) domestic entities shall cover losses in the previous years prior to remittance of profits. Moreover, pursuant to the SAFE Notice No. 3, domestic entities shall make detailed explanations of the sources of capital and utilization arrangements, and provide board resolutions, contracts and other proof when completing the registration procedures in connection with an outbound investment.

Regulations on Offshore Financing

On July 4, 2014, the SAFE issued the *Notice on Issues Relating to the Administration of Foreign Exchange for Overseas Investment and Financing and Reverse Investment by Domestic Residents via Special Purpose Vehicle*s, or Circular 37, which became effective on the same date, and Circular 37 shall prevail over any other inconsistency between itself and relevant regulations promulgated earlier. Pursuant to Circular 37, any PRC residents, including both PRC institutions and individual residents, are required to register with the local SAFE branch before making contribution to a company set up or controlled by the PRC residents outside of the PRC for the purpose of overseas investment or financing with their legally owned domestic or offshore assets or interests, referred to in this circular as a “special purpose vehicle”. Under Circular 37, the term “PRC institutions” refers to entities with legal person status or other economic organizations established within the territory of the PRC. The term “PRC individual residents” includes all PRC citizens (also including PRC citizens abroad) and foreigners who habitually reside in the PRC for economic benefit. A registered special purpose vehicle is required to amend its SAFE registration or file with respect to such vehicle in connection with any change of basic information including PRC individual resident shareholder, name, term of operation, or PRC individual resident’s increase or decrease of capital, transfer or exchange of shares, merger, division or other material changes. In addition, if a non-listed special purpose vehicle grants any equity incentives to directors, supervisors or employees of domestic companies under its direct or indirect control, the relevant PRC individual residents could register with the local SAFE branch before exercising such options. The SAFE simultaneously issued a series of guidance to its local

branches with respect to the implementation of Circular 37. Under Circular 37, failure to comply with the foreign exchange registration procedures may result in restrictions being imposed on the foreign exchange activities of the relevant onshore company, including restrictions on the payment of dividends and other distributions to its offshore parent company and the capital inflow from the offshore entity, and may also subject the relevant PRC residents and onshore company to penalties under the PRC foreign exchange administration regulations.

On February 15, 2012, SAFE issued th*e Notice of the State Administration of Foreign Exchange on Issues concerning the Foreign Exchange Administration of Domestic Individuals' Participation in Equity Incentive Plans of Overseas Listed Companies*, or the Circular 7, which replaced the Application Procedures of Foreign Exchange Administration for Domestic Individuals Participating in Employee Stock Ownership Plans or Stock Option Plans of Overseas Publicly-Listed Companies issued by SAFE on March 28, 2007. Under the Circular 7, a PRC entity's directors, supervisors, senior management officers, other staff or individuals who have an employment or labor relationship with a Chinese entity and are granted stock options by an overseas publicly listed company are required, through a qualified PRC domestic agent which could be a PRC subsidiary of such overseas publicly listed company, to register with SAFE and complete certain other procedures. Such PRC resident participants must also retain an overseas entrusted institution to handle matters in connection with their exercise of stock options, purchase and sale of corresponding stocks or interests, and fund transfer. The PRC agent shall, among other things, file on behalf of such PRC resident participants an application with SAFE to conduct the SAFE registration with respect to such stock incentive plan and obtain approval for an annual allowance with respect to the purchase of foreign exchange in connection with the exercise or sale of stock options or stock such participants hold. 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 aspects. Such participating PRC residents' foreign exchange income received from the sale of stock and dividends distributed by the overseas publicly-listed company must be fully remitted into a PRC collective foreign currency account opened and managed by the PRC agent before distribution to such participants. We and our PRC resident employees who have been granted stock options or other share-based incentives of our company will be subject to the Circular 7 when our company becomes an overseas listed company upon the completion of this offering. If we or our PRC resident participants fail to comply with these regulations in the future, we and/or our PRC resident participants may be subject to fines and legal sanctions.

Regulations relating to Tax

Enterprise Income Tax

On March 16, 2007, the NPC promulgated the *Law of the PRC on Enterprise Income Tax* which was amended on February 24, 2017 and December 29, 2018, and on December 6, 2007, the State Council enacted the *Regulations for the Implementation of the Law on Enterprise Income Tax*, or collectively, t*he EIT Law. Th*e EIT Law came into effect on January 1, 2008. According to the EIT Law, taxpayers consist of resident enterprises and non-resident enterprises. Resident enterprises are defined as enterprises that are established in China in accordance with PRC laws, or that are established in accordance with the laws of foreign countries but whose actual or de facto control is administered from within the PRC. Non-resident enterprises are defined as enterprises that are set up in accordance with the laws of foreign countries and whose actual administration is conducted outside the PRC, but have established institutions or premises in the PRC, or have no such established institutions or premises but have income generated from inside the PRC. Under the EIT Law and relevant implementing regulations, a uniform corporate income tax rate of 25% is applicable. However, if non-resident enterprises have not formed permanent establishments or premises in the PRC, or if they have formed permanent establishment institutions or premises in the PRC but there is no actual relationship between the relevant income derived in the PRC and the established institutions or premises set up by them, the enterprise income tax is, in that case, set at the rate of 10% for their income sourced from inside the PRC. Enterprises that are recognized as high and new technology enterprises in accordance with the *Notice of the Ministry of Science, the Ministry of Finance and the State Administration of Taxation on Amending and Issuing the Administrative Measures for the*

Determination of High and New Tech Enterprises are entitled to enjoy the preferential enterprise income tax rate of 15%. The validity period of the high and new technology enterprise qualification shall be three years from the date of issuance of the certificate of high and new technology enterprise. The enterprise can re-apply for such recognition as a high and new technology enterprise before or after the previous certificate expires.

The *Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies* promulgated by the SAT on April 22, 2009 and amended on January 29, 2014 sets out the standards and procedures for determining whether the "de facto management body" of an enterprise registered outside of the PRC and controlled by PRC enterprises or PRC enterprise groups is located within the PRC.

Value Added Tax

The *Provisional Regulations of the PRC on Value-added Tax (2017 Revision)* were promulgated by the State Council on November 19, 2017. The *Detailed Rules for the Implementation of the Provisional Regulations of the PRC on Value-added Tax (2011 Revision)* were promulgated by the Ministry of Finance and the SAT on December 15, 2008, which were subsequently amended on October 28, 2011 and came into effect on November 1, 2011, or collectively, the VAT Law. According to the VAT Law, all enterprises and individuals engaged in the sale of goods, the provision of processing, repair and replacement services, and the importation of goods within the territory of the PRC must pay value-added tax. For general VAT taxpayers selling services or intangible assets other than those specifically listed in the VAT Law, the value-added tax rate is 6%.

Dividend Withholding Tax

The EIT Law provides that since January 1, 2008, an income tax rate of 10% will normally be applicable to dividends declared to non-PRC resident investors who do not have an establishment or place of business in the PRC, or which have such establishment or place of business, but the relevant income is not effectively connected with the establishment or place of business, to the extent such dividends are derived from sources within the PRC.

In addition, the EIT Law provides that an income tax rate of 10% will normally be applicable to dividends payable to investors that are "non-resident enterprises", and gains derived by such investors, which (a) do not have an establishment or place of business in the PRC or (b) have an establishment or place of business in the PRC, but the relevant income is not effectively connected with the establishment or place of business to the extent such dividends and gains are derived from sources within the PRC. Such income tax on the dividends may be reduced pursuant to a tax treaty between China and the jurisdictions in which the non-PRC shareholders reside. Pursuant to 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 Tax on Income*, or the Double Tax Avoidance Arrangement, and other applicable PRC laws, if a Hong Kong resident enterprise is determined by the competent PRC tax authority to have satisfied the relevant conditions and requirements under such Double Tax Avoidance Arrangement and other applicable laws, the 10% withholding tax on the dividends the Hong Kong resident enterprise receives from a PRC resident enterprise may be reduced to 5% upon receiving approval from the in-charge tax authority. However, based on the Notice on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties, or Notice No. 81, issued on February 20, 2009 by the SAT, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, such PRC tax authorities may adjust the preferential tax treatment.

According to the *Circular on Several Questions regarding the "Beneficial Owner" in Tax Treaties*, which was issued on February 3, 2018 by the SAT and took effect on April 1, 2018, when determining the applicant's status of the "beneficial owner" regarding tax treatments in connection with dividends, interest or royalties in the tax treaties, several factors, including without limitation, whether the applicant is obligated to pay more than 50%

of his or her income in 12 months to residents in a third country or region, whether the business operated by the applicant constitutes the actual business activities, and whether the counterparty country or region to the tax treaties does not levy any tax or grants tax exemption on relevant incomes or levy tax at an extremely low rate, will be taken into account, and it will be analyzed according to the actual circumstances of the specific cases. This circular further provides that applicants who intend to prove his or her status as the "beneficial owner" shall submit the relevant documents to the relevant tax bureau according to the Announcement on Issuing the Measures for the Administration of Non-Resident Taxpayers' Enjoyment of the Treatment under Tax Agreements.

Regulations Relating to Dividend Distribution

The principal regulations governing distribution of dividends of foreign-invested enterprises include (i) the *Company Law*, promulgated by the SCNPC on December 29, 1993, and as amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013 and October 26, 2018, respectively, (ii) the *Foreign-invested Enterprise Law*, promulgated by the SCNPC on April 12, 1986, and as amended on October 31, 2000 and September 3, 2016, respectively, and (iii) the *Implementation Rules of the Foreign-invested Enterprise Law* approved by the State Council on October 28, 1990, and as amended on April 12, 2001, and February 19, 2014, respectively.

Under these laws and regulations, foreign-invested enterprises in China may pay dividends only out of their accumulated profits, if any, determined in accordance with PRC accounting standards and regulations. In addition, foreign-invested enterprises in China are required to allocate at least 10% of their respective accumulated profits each year, if any, to fund certain reserve funds unless these reserves have reached 50% of the registered capital of the enterprises. These reserves are not distributable as cash dividends. A foreign-invested enterprise has the discretion to allocate a portion of its after-tax profits to staff welfare and bonus funds. A Chinese company (including the foreign-invested enterprise) is not permitted to distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

Regulations Relating to Merger and Acquisition and Overseas Listing

On August 8, 2006, six PRC regulatory agencies, namely the MOFCOM, the State Assets Supervision and Administration Commission, the State Administration of Taxation, the SAIC, the China Securities Regulatory Commission, or the CSRC, and the SAFE, jointly adopted the *Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investor*s, or the New M&A Rule, which became effective on September 8, 2006. This New M&A Rule, as amended on June 22, 2009, purports, among other things, to require offshore special purpose vehicles, or SPVs, formed for overseas listing purposes through acquisitions of PRC domestic companies and controlled by PRC companies or individuals, to obtain the approval of the CSRC prior to publicly listing their securities on an overseas stock exchange. On September 21, 2006, the CSRC published a notice on its official website specifying documents and materials required to be submitted to it by SPVs seeking CSRC approval of their overseas listings.

The New M&A Rule also established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time-consuming and complex, including requirements in some instances that the MOFCOM be notified in advance of any change of control transaction in which a foreign investor takes control of a PRC domestic enterprise.

Regulation relating to Employment and Social Welfare

Labor Protection

The main PRC employment laws and regulations include the *Labor Law of the PRC*, as revised on December 29, 2018, the *Labor Contract Law of the PRC*, or the Labor Contract Law and the *Implementing Regulations of the Employment Contract Law of the PRC*.

The Labor Contract Law was promulgated on June 29, 2007, revised on December 28, 2012, and came into force on July 1, 2013. This law governs the establishment of employment relationships between employers and employees, and the execution, performance, termination of, and the amendment to, employment contracts. The Labor Contract Law is primarily aimed at regulating employee/employer rights and obligations, including matters with respect to the establishment, performance and termination of labor contracts. Pursuant to the Labor Contract Law, labor contracts shall be concluded in writing if labor relationships are to be or have been established between enterprises or institutions and the laborers. Enterprises and institutions are forbidden to force laborers to work beyond the time limit and employers shall pay laborers for overtime work in accordance with national regulations. In addition, labor wages shall not be lower than local standards on minimum wages and shall be paid to laborers in a timely manner. In addition, according to the Labor Contract Law: (i) employees must adhere to regulations in the labor contracts concerning commercial confidentiality and non-competition; (ii) employees may terminate their employment contracts with their employers if their employers fail to make social insurance contributions in accordance with the law; and (iii) enterprises and institutions shall establish and improve their system of workplace safety and sanitation, strictly abide by state rules and standards on workplace safety, educate laborers in labor safety and sanitation in the PRC.

The Labor Contract Law imposes more stringent requirements on labor dispatch. According to the Labor Contract Law, (i) it is strongly emphasized that dispatched contract workers shall be entitled to equal pay for equal work as an employee of an employer; (ii) dispatched contract workers may only be engaged to perform temporary, auxiliary or substitute works; and (iii) an employer shall strictly control the number of dispatched contract workers so that they do not exceed certain percentage of total number of employees and the specific percentage shall be prescribed by the Ministry of Human Resources and Social Security. Under the law, “temporary work” means a position with a term of less than six months; “auxiliary work” means a non-core business position that provides services for the core business of the employer; and “substitute work” means a position that can be temporarily replaced with a dispatched contract worker for the period that a regular employee is away from work for vacation, study or other reasons. According to the *Interim Provisions on Labor Dispatch* promulgated by the Ministry of Human Resources and Social Security on January 24, 2014, which became effective on March 1, 2014, (i) the number of dispatched contract workers hired by an employer should not exceed 10% of the total number of its employees (including both directly hired employees and dispatched contract workers); and (ii) in the case that the number of dispatched contract workers exceeds 10% of the total number of its employees at the time when the Interim Provisions on Labor Dispatch became effective, the employer must formulate a plan to reduce the number of its dispatched contract workers to comply with the aforesaid cap requirement prior to March 1, 2016. In addition, such plan shall be filed with the local administrative authority of human resources and social security. Nevertheless, the Interim Provisions on Labor Dispatch do not invalidate the labor contracts and dispatch agreements entered into prior to December 28, 2012 and such labor contracts and dispatch agreements may continue to be performed until their respective dates of expiration. The employer may also not hire any new dispatched contract worker before the number of its dispatched contract workers is reduced to below 10% of the total number of its employees. In case of violation, the labor administrative department shall order rectification within a specified period of time; if the situation is not rectified within the specified period, a fine from RMB5,000 to RMB10,000 for each person shall be imposed, and the staffing company’s business license shall be revoked. If a placed worker suffers any harm or loss caused by the receiving entity, the staffing company and the receiving entity shall be jointly and severally liable for damages.

Social Insurance and Housing Fund

As required under the *Regulation of Insurance for Labor Injury* implemented on January 1, 2004 and amended in 2010, the *Provisional Measures for Maternity Insurance of Employees of Corporations* implemented on January 1, 1995, the Decisions on the *Establishment of a Unified Program for Basic Old-Aged Pension Insurance of the State Council* issued on July 16, 1997, the Decisions on the Establishment of the *Medical Insurance Program for Urban Workers of the State Council* promulgated on December 14, 1998, the *Unemployment Insurance Measures* promulgated on January 22, 1999 and the *Social Insurance Law of the PRC*

implemented on July 1, 2011 and revised on December 29, 2018, enterprises are obliged to provide their employees in the PRC with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, labor injury insurance and medical insurance. These payments are made to local administrative authorities and any employer that fails to contribute may be fined and ordered to make up within a prescribed time limit.

In accordance with the *Regulations on the Management of Housing Funds* which was promulgated by the State Council in 1999 and amended in 2002, enterprises must register at the competent managing center for housing funds and upon the examination by such managing centers of housing funds, these enterprises shall complete procedures for opening an account at the relevant bank for the deposit of employees' housing funds. Enterprises are also required to pay and deposit housing funds on behalf of their employees in full and in a timely manner, and any employer that fails to open such bank account or contribute any housing funds may be fined and ordered to make up within a prescribed time limit.

MANAGEMENT

Directors and Executive Officers

The following table sets forth information regarding our directors and executive officers as of the date of this prospectus.

Directors and Executive Officers	Age	Position/Title
Guangjie Jin	46	Founder, chairman of the board of directors and chief executive officer
Gang Xie	46	Director, chief technology officer
Zhaochun Zheng	35	Director, chief operating officer
Youyang Li	43	Director
Wing Cheung Ryan Law	44	Director
Lin Lin	46	Director
Qiong Hong	37	Director
Kaiyu Yao	45	Director
Bing Xiao	50	Director
Chen Chen	39	Independent director appointee*
Lin Zhou	60	Independent director appointee*
Jackie Qiang You	45	Chief Financial Officer
Zhichen (Frank) Sun	36	Financial Director

* Mr. Chen Chen and Mr. Lin Zhou have accepted appointment as our independent directors, effective upon the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part.

Mr. Guangjie Jin is our founder, chairman of our board of directors and chief executive officer since our inception in 2012. Mr. Jin is a pioneer in applying innovative mobile internet technology to revolutionize traditional apartment rental. He has years of experience in enterprise management, computer science and law. Prior to founding our company, Mr. Jin was the chairman of the board of Shanghai Jindu Information Technology from January 2010 to May 2012. From December 1999 to December 2009, Mr. Jin worked in two PRC law firms. From July 1994 to November 1999, Mr. Jin was a policeman of Shanghai Public Security Bureau. Mr. Jin is a deputy to the National People's Congress of Jiading District, Shanghai, a vice president of Shanghai Jiading District committee of China Association for Science and Technology, a vice chairman of the standing committee of Xuhui District Youth Federation and a member of Shanghai Youth Federation. Mr. Jin received his master's degree in law in 2009 from Shanghai Jiaotong University and bachelor's degree in engineering in 1997 from Tongji University.

Mr. Gang Xie is our director and chief technology officer since our inception in 2012. Mr. Xie is also a director of Shanghai Liangzhouban Decoration Co., Ltd. and Shanghai Ziniu Property Management Co., Ltd. Prior to joining our company, he was a platform research and development manager of Shanghai Koss Software Co., Ltd from August 2008 to December 2011. From December 2007 to June 2008, he was a project manager at the mobile phone division of Ping An Insurance (Group) Corporation of China. From February 2005 to November 2007, he was a senior manager and technology director of Handlink Ltd. From September 2000 to January 2005, he was a system architect and project manager of Shanghai Insk Computer Co., Ltd. From August 1995 to August 2000, he was an engineer and project leader of Shanghai Electronic Technology Co., Ltd. Mr. Xie received his bachelor's degree in engineering in 1995 from Shanghai University of Science and Technology.

Mr. Zhaochun Zheng is our director and chief operating officer since our inception in 2012. Prior to joining our company, he was an operation director at Shanghai Jindu Information Technology Co., Ltd from January 2011 to December 2012. He was a marketing director of a PRC law firm from January 2009 to December 2010. He studied video advertising at Shanghai Donghai Vocational and Technical College from 2002 to 2005. He also studied at Fudan University from 2006 to 2008.

Mr. Youyang Li is our director since 2015. Mr. Li is also a founder and partner of Newsion Venture Capital since 2011. From 2009 to 2011, Mr. Li was the general manager of the e-commerce division at Yonyou Software. Mr. Li founded Hengju Network and worked as its general manager from 2004 to 2009. Mr. Li received his master's degree in business administration from Shanghai Jiao Tong University in 2013 and his bachelor of science degree in information system management from McGill University in 2003.

Mr. Wing Cheung Ryan Law is our director since 2017. Mr. Law is currently a managing director of Morgan Stanley focusing on the private equity transactions in China. He also serves as directors at Showyu, Noah Education and Renfang. Mr. Law worked at Mount Kellett Capital and founded GCL Capital. Mr. Law received his bachelor's degree in economics from the University of Chicago in 1998.

Mr. Lin Lin is our director since 2018. Mr. Lin currently also serves as the managing partner of Crescent Point. From 2005 to 2018, Mr. Lin was a director at the China Investment Banking Division of Credit Suisse. Prior to that, Mr. Lin was an associate at the Investment Banking Division of Morgan Stanley from 2000 to 2004 and a senior associate at Ernst & Young from 1995 to 1998. Mr. Lin received his bachelor's degree in accounting from Illinois State University in 1995 and his master's degree in business administration from the University of Chicago in 1999.

Ms. Qiong Hong is our director since our inception in 2012. Prior to joining our company, Ms. Hong was a HR manager at a PRC law firm from September 2004 to August 2012. Ms. Hong was a store manager of Shanghai Baleno Clothing Co., Ltd. from April 2001 to April 2004. Ms. Hong was major in economic management at Nanjing Political College from September 2005 to June 2008.

Ms. Kaiyu Yao is our director since our inception in 2012. Prior to joining our company, Ms. Yao was an administration manager in a PRC law firm, from February 2006 to October 2012. Ms. Yao was a marketing manager at Shanghai Johnson Diversey Ltd. from October 2002 to January 2006. Prior to that, Ms. Yao was an assistant to the managing director of Greater China at DiverseyLever Hygiene Ltd. from October 1998 to September 2002 and an assistant to the general manager at Wall's (China) Co., Ltd. from March 1996 to September 1998. Ms. Yao received her bachelor's degree in industrial foreign trade from Shanghai University in 1996.

Mr. Bing Xiao is our director since 2015. Mr. Xiao is also the president of Shenzhen Dachen Caizhi Fortune Venture Capital. From 1995 to 2002, Mr. Xiao was a vice general manager at China Travel Service (Holdings) Hong Kong Limited. From 1990 to 1992, Mr. Xiao worked at the industrial division of the planning committee of Hunan Province. Mr. Xiao received his master's degree in finance from Jinan University in 1995 and his bachelor's degree in planning from Renmin University of China in 1990.

Mr. Chen Chen will serve as our independent director commencing from the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part. Mr. Chen has served as chief financial officer of Yunji Inc. since May 2018. Mr. Chen has more than 16 years of comprehensive experience in audit and consulting services. Prior to joining Yunji, Mr. Chen was a partner at Deloitte, and had been working in Deloitte since July 2002. Mr. Chen is a member of the Association of International Certified Professional Accountants (AICPA) and China Institute of Certified Public Accountants (CICPA). Mr. Chen received his bachelor's degree from Shanghai Jiao Tong University in 2002.

Mr. *Lin Zhou* will serve as our independent director commencing from the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part. Mr. Zhou is the university chair professor of Shanghai Advanced Institute of Finance of Shanghai Jiao Tong University since August 2018. Prior to that, Mr. Zhou served as the dean and professor of Antai College of Economics and Management of Shanghai Jiao Tong University from April 2010 to July 2018, a founding deputy director and professor of Shanghai Advanced Institute of Finance of Shanghai Jiao Tong University from September 2008 to April 2010, a WP Carey professor of economics of WP Carey School of Business of Arizona State University

from September 2001 to August 2010, an associate professor of department of economics of Duke University from September 1996 to August 2001, and an assistant/associate professor of department of economics of Yale University from September 1989 to August 1996. Mr. Zhou received his PhD in economics from Princeton University in June 1989 and his bachelor's degree in mathematics from Fudan University in August 1982.

Ms. Jackie Qiang You is our chief financial officer since July 2019. Prior to joining our company, she was the founder and chief executive officer of Yideyuehui Consulting (Beijing) Co., LTD. from 2014 to 2019 and the founder and chief executive officer of Caimai Network Technology Consulting (Beijing) Co., Ltd. from 2017 to 2019. She has years of experience in financial management. Before founding her own companies, she served as a chief financial officer of ChinaCache International Holdings, LTD. (formerly, Nasdaq: CCIH) from 2011 to 2013. From 2009 to 2011, she was a chief financial officer of China Information Technology, Inc. (Nasdaq: CNIT). From 2007 to 2008, she was the head of China investments division of JLF Asset Management. From 2006 to 2007, she was a chief financial officer of Diguang International Development, LTD. From 2004 to 2006, she was a portfolio manager of Sand Hill Advisors. From 2000 to 2004, she was an investment officer of Northern Trust Bank. From 1996 to 1998, she was a marketing officer of Bank of America. She received her bachelor's degree in economics from Shanghai International Studies University in 1996 and master's degree in business administration from Arizona State University in 2000. She is a CFA charter holder.

Mr. Zhichen (Frank) Sun is our financial director since April 2017. Prior to joining our company, Mr. Sun was an audit senior manager of Ernst & Young LLP, Shanghai office from January 2016 to April 2017. From January 2011 to December 2015, he was an audit manager of Deloitte LLP, Calgary office. From July 2005 to December 2010, he was successively a senior auditor and an audit manager of Deloitte Touche Tohmatsu Certified Public Accountants LLP, Shanghai office. Mr. Sun received his bachelor's degree in Japanese language and literature from Shanghai International Studies University in 2005. Mr. Sun holds CPA designations in China and Canada.

Board of Directors

Our board of directors will consist of eleven (11) directors upon the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part. A director is not required to hold any shares in our company to qualify to serve as a director. A director may vote with respect to any contract, proposed contract or arrangement notwithstanding that he may be interested therein, and if he does so his vote shall be counted and he may be counted in the quorum at any meeting of our directors at which any such contract or proposed contract or arrangement is considered, provided (a) such director, if his interest (whether direct or indirect) in such contract or arrangement is material, has declared the nature of his interest at the earliest meeting of the board at which it is practicable for him to do so, either specifically or by way of a general notice and (b) if such contract or arrangement is a transaction with a related party, such transaction has been approved by the audit committee. The directors may exercise all the powers of the company to borrow money, to mortgage or charge its undertaking, property and uncalled capital, and to issue debentures or other securities whenever money is borrowed or as security for any debt, liability or obligation of the company or of any third party. None of our non-executive directors has a service contract with us that provides for benefits upon termination of service.

Committees of the Board of Directors

We will establish three committees under the board of directors immediately upon the effectiveness of our registration statement on Form F-1, of which this prospectus is a part: an audit committee, a compensation committee and a nominating and corporate governance committee. We will adopt a charter for each of the three committees. Each committee's members and functions are described below.

Audit Committee. Our audit committee will consist of Chen Chen and Lin Zhou. Chen Chen will be the chairman of our audit committee. We have determined that Chen Chen and Lin Zhou satisfy the "independence" requirements of Rule 5605(c)(2) of the Listing Rules of the NASDAQ and Rule 10A-3 under the Securities

Exchange Act of 1934, as amended. We have determined that Chen Chen qualifies as an "audit committee financial expert." The audit committee will oversee our accounting and financial reporting processes and the audits of the financial statements of our company. The audit committee will be responsible for, among other things:

- appointing the independent auditors and pre-approving all auditing and non-auditing services permitted to be performed by the independent auditors;
- reviewing with the independent auditors any audit problems or difficulties and management's response;
- discussing the annual audited financial statements with management and the independent auditors;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures and any steps taken to monitor and control major financial risk exposures;
- reviewing and approving all proposed related party transactions;
- meeting separately and periodically with management and the independent auditors; and
- monitoring compliance with our code of business conduct and ethics, including reviewing the adequacy and effectiveness of our procedures to ensure proper compliance.

Compensation Committee. Our compensation committee will consist of Guangjie Jin, Gang Xie and Youyang Li. Guangjie Jin will be the chairman of our compensation committee. The compensation committee will assist the board in reviewing and approving the compensation structure, including all forms of compensation, relating to our directors and executive officers. The compensation committee will be responsible for, among other things:

- reviewing and approving, or recommending to the board for its approval, the compensation for our chief executive officer and other executive officers;
- reviewing and recommending to the board for determination with respect to the compensation of our non-employee directors;
- reviewing periodically and approving any incentive compensation or equity plans, programs or similar arrangements; and
- selecting compensation consultant, legal counsel or other adviser only after taking into consideration all factors relevant to that person's independence from management.

Nominating and Corporate Governance Committee. Our nominating and corporate governance committee will consist of Guangjie Jin and Qiong Hong. Guangjie Jin will be the chairman of our nominating and corporate governance committee. The nominating and corporate governance committee will assist the board of directors in selecting individuals qualified to become our directors and in determining the composition of the board and its committees. The nominating and corporate governance committee will be responsible for, among other things:

- selecting and recommending nominees for election by the shareholders or appointment by the board;
- reviewing annually with the board the current composition of the board with regards to characteristics such as independence, knowledge, skills, experience and diversity;
- making recommendations on the frequency and structure of board meetings and monitoring the functioning of the committees of the board; and
- advising the board periodically with regards to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations, and making recommendations to the board on all matters of corporate governance and on any remedial action to be taken.

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 must also exercise their powers only for a proper purpose. 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, as amended and restated from time to time, and the class rights vested thereunder in the holders of the shares. Our company has the right to seek damages if a duty owed by our directors is breached. A shareholder may in certain limited exceptional circumstances have the right to seek damages in our name if a duty owed by the directors is breached.

Our board of directors has all the powers necessary for managing, and for directing and supervising, our business affairs. The functions and powers of our board of directors include, among others:

- convening shareholders' annual and extraordinary general meetings;
- declaring dividends and distributions;
- appointing officers and determining the term of office of the officers;
- exercising the borrowing powers of our company and mortgaging the property of our company; and
- approving the transfer of shares in our company, including the registration of such shares in our register of members.

Terms of Directors and Officers

The number of directors shall not be less than three (3). No person may be nominated for, or appointed as, a director, nor removed from any such appointment as a director, unless such nomination, appointment or removal has been approved by our nominating and corporate governance committee prior to such nomination, appointment or removal.

Generally, (i) any person appointed as a director as of the closing date of this offering shall hold office for a period of three years from the closing date of this offering, or such other term as may be approved in the resolution appointing them; and (ii) any person appointed as a director after the closing date of this offering shall hold office for a period of three years from the date of such appointment, or such other term as may be approved in the resolution appointing them. Each director shall hold office until the expiration of his term, or his resignation, removal or retirement from our board of directors, or his disqualification as a director.

A retiring director shall be eligible for re-election from the date commencing six (6) months prior to the date of expiry of his term of office, and shall continue to act as a director throughout the meeting at which his re-election is considered. Where the retirement of any director would cause the number of directors to fall below the minimum number required pursuant to our post-offering amended and restated articles of association, then such director shall continue to act as a director until the appointment of such additional director(s) as would not result in the director's retirement causing the number of directors to fall below the minimum number required pursuant to our post-offering amended and restated articles of association, at which time they shall retire.

Subject to our post-offering amended and restated articles of association and the applicable Law, the shareholders may by ordinary resolution elect any person to be a director either to fill a casual vacancy or as an addition to the existing board of directors. In addition, the directors shall have the power from time to time and at any time, by the affirmative vote of a majority of the directors present and voting at a meeting of our board of directors, to appoint any person as a director to fill a casual vacancy on our board of directors or as an addition to the existing board of directors.

No director shall be required to hold any shares of our company by way of qualification and a director who is not a shareholder shall be entitled to receive notice of and to attend and speak at any general meeting of our company and of all classes of shares of our company.

Subject to any provision to the contrary in our post-offering amended and restated memorandum and articles of association, a director may, at any time before the expiration of his or her period of office (notwithstanding anything in our post-offering amended and restated memorandum and articles of association or in any agreement between our company and such director (but without prejudice to any claim for damages under any such agreement)) be removed by way of either (a) a special resolution of the shareholders; or (b) the affirmative vote of two-thirds of the other directors present and voting at a board meeting; or (c) a resolution in writing (which complies with the requirements of the provisos contained in article 119 of our post-offering amended and restated memorandum and articles of association) signed by all the directors other than the director being removed.

The office of a director shall be vacated if the director (a) resigns his or her office by notice delivered to our company at the office or tendered at a meeting of our board of directors, or (b) becomes of unsound mind or dies, or (c) without special leave of absence from our board of directors, is absent from meetings of our board of directors for three (3) consecutive times, unless our board of directors resolves that his or her office not be vacated, or (d) becomes bankrupt or has a receiving order made against him or her or suspends payment or compounds with his or her creditors, or (e) is prohibited by law from being a director, or (f) ceases to be a director by virtue of any provision of the statutes or is removed from office pursuant to our post-offering amended and restated memorandum and articles of association, or (g) for any director that is not an independent director, without special leave of absence from our board of directors, is absent from more than fifty per cent. (50%) of our weekly management meetings in any financial year, unless our board of directors resolves that his or her office not be vacated; or (h) for any director that is not an independent director, without special leave of absence from our board of directors, is present at the premises of our company, or any of our subsidiaries, for less than 60 business days in any financial year, unless our board of directors resolves that his or her office not be vacated.

Each director shall use his or her best efforts to attend all meetings of our board of directors. Any director may at any time appoint another director to be his or her alternate director. Any such appointment shall be in respect of a specific meeting of directors only and such appointment shall automatically cease upon termination of such meeting. An alternate director may also be removed as an alternate director at any time by the director who appoints him or her.

Employment Agreements and Indemnification Agreements

We have entered into employment agreements with each of our executive officers. Under these agreements, each of our executive officers is employed for a specified time period. We may terminate employment for cause, at any time, for certain acts of the executive officer, such as conviction or plea of guilty to a felony or any crime involving moral turpitude, negligent or dishonest acts to our detriment, or misconduct or a failure to perform agreed duties. If the executive officer otherwise fails to perform agreed duties, we may terminate employment upon 30-day advance written notice. In such case of termination by us, we will provide severance payments to the executive officer as expressly required by applicable law of the jurisdiction where the executive officer is based. The executive officer may resign at any time upon mutual agreement or 30-day advance written notice.

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 or pursuant to applicable law, 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. The executive officers have also agreed to disclose in confidence to us all inventions, designs and trade secrets which they conceive, develop or reduce to practice during the executive officer’s employment with us and to assign all right, title and interest in them to us upon our request.

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 and typically for two years following the last date of employment. Specifically, each executive officer has agreed not to (i) engage directly or indirectly in any business, including his or her own business, related to the development, operation or sales of any same or similar technologies or products, whether as employee, consultant or otherwise; (ii) approach directly or indirectly our clients or customers for the purpose of doing business of the same or a similar nature to our business with such persons or entities that will harm our business relationships with these persons or entities or for purposes of making such persons or entities limit or terminate their business relationship with us; or (iii) seek directly or indirectly, to solicit the services of any of our employees who is employed by us.

We have entered into indemnification agreements with each of our directors and executive officers. Under these agreements, we may agree to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being a director or officer of our company.

Compensation of Directors and Executive Officers

For FY 2018, we paid an aggregate of approximately RMB1.8 million (US$0.3 million) in cash to our directors and executive officers. Except as disclosed in this prospectus, 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 subsidiary and our variable interest entity 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.

Stock Options A and Stock Options B

Yijia Inc., a company controlled by Mr. Guangjie Jin, holds shares underlying our share-based awards for persons who contribute to the success of our operations. As of the date of this prospectus, we issued 70.0 million ordinary shares, including 43.1 million Class A ordinary shares and 26.9 million Class B ordinary shares to Yijia Inc., covering the options we granted in 2014, 2016 and 2017, 1.4 million of which were forfeited in 2019.

Stock Options A

In August 2014, April 2016 and October 2016, we granted an aggregate number of 26.9 million share options to certain of our management, employees and non-employees ("Stock Options A"), 1.0 million of which were forfeited in 2019. The remaining Stock Options A are exercisable into 25.9 million Class B ordinary shares. The exercise price of Stock Options A is RMB2.0 per ordinary share. Stock Options A vest 50% on the first and second calendar year after the year of our initial public offering. All grantees of Stock Options A are restricted from transferring more than 25% of their total converted ordinary shares each year after the exercise date.

Stock Options B

In July 2017, we granted 43.1 million share options to our management and employees ("Stock Options B"), 0.4 million of which were forfeited in 2019. The remaining Stock Options B are exercisable into 42.7 million Class A ordinary shares. The exercise price of Stock Options B is RMB2.0 per ordinary shares. Stock Options B vested immediately upon the grant date. All grantees of Stock Options B are restricted from transferring their converted ordinary shares after certain periods subsequent to the date of our initial public offering. If the grantee of Stock Options B resigned from our company before our initial public offering or before the restricted period lapses, we have the right to repurchase the Stock Options B or ordinary shares at RMB2.0 per Stock Option B or ordinary share.

The following table summarizes, as of the date of this prospectus, the outstanding Stock Options A and Stock Options B granted to our directors, officers and other grantees.

Name	Ordinary Shares Underlying the Award Granted	Exercise Price (per share)	Date of Grant	Date of Expiration
Guangjie Jin	16,000,000	RMB2.0	August 31, 2014	August 30, 2024
	19,870,000	RMB2.0	July 31, 2017	December 31, 2025
Gang Xie	*	RMB2.0	August 31, 2014	August 30, 2024
Zhaochun Zheng	*	RMB2.0	August 31, 2014	August 30, 2024
Youyang Li	*	RMB2.0	August 31, 2014	August 30, 2024
Qiong Hong	*	RMB2.0	July 31, 2017	December 31, 2025
Kaiyu Yao	*	RMB2.0	July 31, 2017	December 31, 2025
Zhichen (Frank) Sun	*	RMB2.0	July 31, 2017	December 31, 2025
Other	9,330,000	RMB2.0	from August 31, 2014 to July 31, 2017	from August 30, 2024 to December 31, 2025
Total	68,600,000			

* Less than 1% of our total outstanding shares.

2019 Share Incentive Plan

In September 2019, our board of directors approved our 2019 share incentive plan, or the 2019 Plan, to provide incentives to employees, officers, directors and consultants and promote the success of our business. The 2019 Plan will become effective immediately upon the completion of this offering. The maximum number of shares that may be issued under the 2019 Plan shall be determined by at least two-thirds of votes cast by directors in a duly constituted meeting (which, for this purpose, shall include all independent directors to be quorate), including affirmative votes from all independent directors. We have not granted as of the date of this prospectus, and will not grant on or before 270th day from the consummation of this offering, any awards under the 2019 Plan.

The following paragraphs describe the principal terms of the our share incentive plan:

Plan Administration. Our board of directors or a committee of one or more members of our board of directors (the "Committee") will administer the 2019 Plan. The Committee will determine the participants to receive awards, the nature and the amount of each award to be granted to each participant, and the terms and conditions of each award grant.

Type of Awards. The 2019 Plan permits the awards of options, restricted shares, restricted share units or any other type of awards that the Committee decides.

Award Agreement. Awards granted under the 2019 Plan are evidenced by an award agreement that sets forth terms, conditions and limitations for each award, which may include the term of the award, the provisions applicable in the event of the grantee's employment or service terminates, and our authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind the award.

Eligibility. We may grant awards to employees, consultants, and directors, as determined by the Committee.

Vesting Schedule. In general, the Committee determines the vesting schedule, which is specified in the relevant award agreement. Unless otherwise specified in the 2019 Plan, the term of any award granted under the 2019 Plan shall not exceed ten years.

Exercise of Options. Subject to any specific designation in the 2019 Plan, the Committee determines the exercise price for each award, which is stated in the relevant award agreement. Unless otherwise specified in the 2019 Plan, the maximum exercisable term of options is ten years from the date of a grant.

Transfer Restrictions. Awards may not be transferred in any manner by the recipient except as otherwise provided in the 2019 Plan, by applicable law and by relevant award agreement.

Termination and Amendment. Unless terminated earlier, the 2019 Plan has a term of ten years. Subject to any specific designation in the 2019 Plan, our board of directors has the authority to amend or terminate the 2019 Plan; provided, however, that any amendment or modification of the maximum number of shares that may be issued under the 2019 Plan shall be determined by at least two-thirds of votes cast by directors in a duly constituted meeting (which, for this purpose, shall include all independent directors to be quorate), including affirmative votes from all independent directors. However, no such action may adversely affect in any material way any awards previously granted unless agreed by the recipient, unless otherwise specified in the 2019 Plan.

PRINCIPAL SHAREHOLDERS

Except as specifically noted, the following table sets forth information with respect to the beneficial ownership of our ordinary shares as of the date of this prospectus by:

- each of our directors and executive officers; and
- each of our principal shareholders who beneficially own more than 5% of our total outstanding ordinary shares.

The calculations in the table below are based on 1,342,860,850 on an as-converted basis, including (i) 120,121,410 Class A ordinary shares, (ii) 310,329,080 Class B ordinary shares and (iii) 912,410,360 Class A ordinary shares that are issuable upon conversion of our preferred shares on a one-for-one basis as of the date of this prospectus, and 1,498,860,850 shares outstanding immediately after the completion of this offering, assuming the underwriters do not exercise their over-allotment option, including (i) 1,128,142,221 Class A ordinary shares and (ii) 370,718,629 Class B ordinary shares.

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.

	Ordinary Shares Beneficially Owned Prior to This Offering							Ordinary Shares Beneficially Owned Immediately After This Offering						
	Class A Ordinary Shares		Class B Ordinary Shares		Total ordinary shares on an as-converted basis		Aggregate voting power***	Class A Ordinary Shares		Class B Ordinary Shares		Total ordinary shares on an as-converted basis	Aggregate voting power***	
	Number	%	Number	%	Number	%	%	Number	%	Number	%	Number	%	%
Directors and Executive Officers:**														
Guangjie Jin(1)	60,389,549	5.8%	310,329,080	100.0%	370,718,629	27.6%	97.0%	—	—	370,718,629	100.0%	370,718,629	24.7%	76.7%
Gang Xie	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Zhaochun Zheng	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Youyang Li(5)	125,361,929	12.1%	—	—	125,361,929	9.3%	0.4%	125,361,929	11.1%	—	—	125,361,929	8.4%	2.6%
Wing Cheung Ryan Law	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Lin Lin	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Qiong Hong	*	*	—	—	*	*	*	*	*	—	—	*	*	*
Kaiyu Yao	*	*	—	—	*	*	*	*	*	—	—	*	*	*
Bing Xiao	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Chen Chen****	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Lin Zhou****	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Jackie Qiang You	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Zhichen (Frank) Sun	*	*	—	—	*	*	*	*	*	—	—	*	*	*
All Directors and Executive Officers as a Group	185,751,478	18.0%	310,329,080	100.0%	496,080,558	36.9%	97.4%	125,361,929	11.1%	370,718,629	100.0%	496,080,558	33.1%	79.3%
Principal Shareholders:														
Bill.Com Inc.(2)	—	—	190,329,080	61.3%	190,329,080	14.2%	59.4%	—	—	190,329,080	51.3%	190,329,080	12.7%	39.4%
Yijia Inc.(3)	60,389,549	5.8%	120,000,000	38.7%	180,389,549	13.4%	37.6%	—	—	180,389,549	48.7%	180,389,549	12.0%	37.3%
Crescent Capital Investments Ltd. and its affiliated entities(4)	411,030,956	39.8%	—	—	411,030,956	30.6%	1.3%	411,030,956	36.4%	—	—	411,030,956	27.4%	8.5%
Newsion One Inc. and Newsion Two Inc.(5)	125,361,929	12.1%	—	—	125,361,929	9.3%	0.4%	125,361,929	11.1%	—	—	125,361,929	8.4%	2.6%
SAIF IV Consumer (BVI) Limited(6)	120,000,000	11.6%	—	—	120,000,000	8.9%	0.4%	120,000,000	10.6%	—	—	120,000,000	8.0%	2.5%
North Haven Private Equity Asia Harbor Company Limited(7)	120,000,000	11.6%	—	—	120,000,000	8.9%	0.4%	120,000,000	10.6%	—	—	120,000,000	8.0%	2.5%
Youzhen Inc.(8)	61,017,386	5.9%	—	—	61,017,386	4.5%	0.2%	61,017,386	5.4%	—	—	71,017,386	4.1%	1.3%

* Less than 1% of our total outstanding shares.

** Except as indicated otherwise below, the business address of our directors and executive officers is Suite 1607, Building A, No.596 Middle Longhua Road, Xuhui District, Shanghai, 200032, People's Republic of China.

*** For each person or group included in this column, 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 outstanding shares of our Class A and Class B ordinary shares as a single class and on an as-converted basis. Each Class A ordinary shares is entitled to one vote per share. Prior to this offering, each Class B ordinary shares is entitled to 100 votes per share. Pursuant to our post-offering amended and restated memorandum and articles of association, which will become effective immediately prior to the completion of this offering, each Class B ordinary share will be entitled to ten (10) votes per share. Our Class B ordinary shares are convertible at any time by the holder into Class A ordinary shares on a one-for-one basis.

**** Mr. Chen Chen and Mr. Lin Zhou have accepted appointment as our independent directors, effective upon the SEC's declaration of effectiveness of our registration statement on Form F-1, of which this prospectus is a part.

(1) Represents (i) 190,329,080 Class B ordinary shares held by Bill.Com Inc. (see note (2) below); and (ii) 60,389,549 Class A ordinary shares and 120,000,000 Class B ordinary shares held by Yijia Inc. (see note (3) below), including 19,870,000 Class A ordinary shares that Mr. Jin has the right to acquire upon the exercise of his Stock Options B within 60 days after the date of this prospectus. Immediately upon the completion of the offering, all of the then issued and outstanding Class A ordinary shares registered in the name of Yijia Inc. will be re-designated into an equal number of Class B ordinary shares.

(2) Represents 190,329,080 Class B ordinary shares held by Bill.Com Inc., a British Virgin Islands company. Guangjie Jin is the sole shareholder of Bill.Com Inc.

(3) Represents 60,389,549 Class A ordinary shares and 120,000,000 Class B ordinary shares held by Yijia Inc., a British Virgin Islands company. Immediately upon the completion of the offering, all of the then issued and outstanding Class A ordinary shares registered in the name of Yijia

Inc. will be re-designated into an equal number of Class B ordinary shares. Yijia Inc. is wholly owned by Shanghai Yijia Investment Consultation Co. Ltd., a PRC company. 90% of all the issued and outstanding shares of Shanghai Yijia Investment Consultation Co. Ltd. are owned by Shanghai Yijia Chuangye Investment Center LLP, a PRC limited liability partnership whose general partner is Shanghai Jinglan Enterprise Management Consultation Co., Ltd.

(4) Represents (i) 103,500,000 series C-1 preferred shares, 176,869,198 series C-2 preferred shares and 34,170,106 Class A ordinary shares held by CP QK Singapore Pte Ltd., a Singapore company and (ii) 96,491,652 series C-2 preferred shares held by Innovative Housing Solutions Pte. Ltd, a Singapore company. Both CP QK Singapore Pte Ltd. and Innovative Housing Solutions Pte. Ltd are beneficially owned by Crescent Capital Investments Ltd. All of these shares will be automatically converted into and re-designated as Class A ordinary shares immediately prior to the completion of this offering. Crescent Capital Investments Ltd. has indicated an interest that it or its affiliates may purchase an aggregate of up to US$30.0 million worth of the ADSs being offered in this offering. The numbers in the table above does not take into account the ADSs that Crescent Capital Investments Ltd. or its affiliates may purchase in this offering.

(5) Represents (i) 76,471,510 series A-1 preferred shares held by Newsion One Inc., a British Virgin Islands company, and (ii) 14,761,755 Class A ordinary shares and 34,128,664 series A-1 preferred shares held by Newsion Two Inc., a British Virgin Islands company. Newsion One Inc. and Newsion Two Inc. are wholly owned by Youyang Li. All of these series A-1 preferred shares will be automatically converted into and re-designated as Class A ordinary shares immediately prior to the completion of this offering. Newsion One Inc. and Newsion Two Inc. have indicated an interest that they or their affiliates may purchase an aggregate of up to US$10.0 million worth of the ADSs being offered in this offering. The numbers in the table above does not take into account the ADSs that Newsion One Inc., Newsion Two Inc. or their affiliates may purchase in this offering.

(6) Represents 120,000,000 series B preferred shares held by SAIF IV Consumer (BVI) Limited, a British Virgin Islands company. SAIF IV Consumer (BVI) Limited is wholly owned by SAIF Partners IV L.P. which is registered in Cayman Islands. The general partner of SAIF Partners IV L.P. is SAIF IV GP, L.P. The general partner of SAIF IV GP, L.P. is SAIF IV GP Capital Ltd. Andrew Y. Yan is the sole shareholder of SAIF IV GP Capital Ltd. All of these shares will be automatically converted into and re-designated as Class A ordinary shares immediately prior to the completion of this offering.

(7) Represents 120,000,000 series C preferred shares held by North Haven Private Equity Asia Harbor Company Limited, a Cayman Islands company, which is ultimately controlled by Morgan Stanley, a Delaware company listed on New York Stock Exchange. All of these shares will be automatically converted into and re-designated as Class A ordinary shares immediately prior to the completion of this offering.

(8) Represents 21,017,386 series A-1 preferred shares and 40,000,000 series B preferred shares held by Youzhen Inc., a British Virgin Islands company. Youzhen Inc. is wholly owned by Shanghai Youzhen Investment Consultation Co., Ltd., a PRC company. Shanghai Youzhen Investment Management Center LLP hold 90% of the issued and outstanding shares of Shanghai Youzhen Investment Consultation Co., Ltd. The general partners of Shanghai Youzhen Investment Management Center LLP are Guiying Song (who is also the executive partner), Wanping Xie and Wen Shi. All of these shares will be automatically converted into and re-designated as Class A ordinary shares immediately prior to the completion of this offering. Youzhen Inc. has indicated an interest that it or its affiliates may purchase an aggregate of up to US$5.0 million worth of the ADSs being offered in this offering. The numbers in the table above does not take into account the ADSs that Youzhen Inc. or its affiliates may purchase in this offering.

As of the date of this prospectus, none of our ordinary shares or preferred shares are held by record holder in the United States. We are not aware of any arrangement that may, at a subsequent date, result in a change of control of our company.

RELATED PARTY TRANSACTIONS

Contractual Arrangements with the VIE and its Shareholders

PRC laws and regulations currently restrict foreign ownership and investment in value added telecommunications services in China. As a result, we currently conduct our value-added telecommunication services business through Q&K E-Commerce, our variable interest entity, based on a series of contractual arrangements. For a description of these contractual arrangements, see "Corporate History and Structure—Contractual Arrangements with the VIE and its Shareholders."

Shareholders Agreement

See "Description of Share Capital—History of Securities Issuances—Shareholders Agreement."

Employment Agreements and Indemnification Agreements

See "Management—Employment Agreements and Indemnification Agreements."

Share Incentive Plans

See "Management—Stock Options A and Stock Options B" and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies, Judgments and Estimates—Share-Based Compensation."

Transactions with Shanghai Xulong Trading Co., Ltd. ("Shanghai Xulong")

Shanghai Xulong is an entity formerly controlled by the parents of Mr. Guangjie Jin, our founder and chief executive officer. We purchased (i) property and equipment of RMB6.0 million, RMB77.7 million (US$11.3 million) and RMB12.2 million (US$1.8 million), (ii) storage and logistic service of RMB6.2 million, RMB14.3 million (US$2.1 million) and RMB4.6 million (US$0.7 million) and (iii) marketing service of nil, RMB8.4 million (US$1.2 million) and RMB9.7 million (US$1.4 million) in FY 2017, FY 2018 and the nine months ended June 30, 2019, respectively, from Shanghai Xulong to furnish our rental apartments.

As of September 30, 2017 and 2018, we had RMB4.1 million and RMB31.5 million (US$4.6 million) due to Shanghai Xulong, respectively.

Mr. Jin's parents disposed all of their equity interest in Shanghai Xulong in April 2019, and Shanghai Xulong has ceased to be our related party.

Transactions with Shanghai Laiguan Property Management Co., Ltd. ("Shanghai Laiguan")

Shanghai Laiguan is an entity controlled by a member of our management who is not a director or executive officer. We purchased the labor outsourcing service of RMB35.9 million, RMB48.9 million (US$7.1 million) and RMB31.4 million (US$4.6 million) in FY 2017, FY 2018 and the nine months ended June 30, 2019, respectively, from Shanghai Laiguan to outsource our apartment management service.

As of September 30, 2017 and 2018 and June 30, 2019, we had nil, RMB1.0 million (US$0.1 million) and RMB1.5 million (US$0.2 million) due from Shanghai Laiguan, respectively.

As of September 30, 2017 and 2018 and June 30, 2019, we had RMB0.2 million, nil and nil due to Shanghai Laiguan, respectively.

Transactions with Shanghai Qingji Property Management Co., Ltd.

Shanghai Qingji Property Management Co., Ltd. is an entity controlled by a member of our management who is not a director or executive officer. We purchased the labor outsourcing service of nil, RMB19.3 million (US$2.8 million) and RMB31.7 million (US$4.6 million) in FY 2017, FY 2018 and the nine months ended June 30, 2019, respectively, from Shanghai Qingji Property Management Co., Ltd. to outsource our apartment management service.

As of June 30, 2019, we had RMB1.3 million (US$0.2 million) due from Shanghai Qingji Property Management Co., Ltd.

Transactions with Shanghai Qingke Robot Technology Company Limited ("Qingke Robot")

Qingke Robot, currently known as Shanghai Yangsi Robot Technology Company Limited, is formerly an affiliate of Mr. Guangjie Jin, our founder and chief executive officer. We purchased (i) the value-added service of RMB3.3 million, RMB42.4 million (US$6.2 million) and RMB28.3 million (US$4.1 million) and (ii) research and development services of RMB40.4 million, RMB0.2 million (US$22.4 thousand) and nil in FY 2017, FY 2018 and the nine months ended June 30, 2019, respectively, from Qingke Robot.

As of September 30, 2017 and 2018, we had nil and RMB9.0 million (US$1.3 million) due from Qingke Robot, respectively. Such amount mainly represented the advances we paid to Qingke Robot for providing value-added services.

As of September 30, 2017 and 2018, we had RMB20.6 million and nil due to Qingke Robot, respectively.

Mr. Jin disposed all of his equity interest in Qingke Robot in March 2019, and Qingke Robot has ceased to be our related party.

Transactions with Q&K Fashion

Q&K Fashion is an entity controlled by the parents of Mr. Guangjie Jin, our founder and chief executive officer. As of September 30, 2017 and 2018 and June 30, 2019, we had RMB8.0 million, RMB8.0 million (US$1.2 million) and RMB1.0 thousand (US$146) due from Q&K Fashion, respectively. Such amounts represented our loans to Q&K Fashion, which were interest free and payable on demand and were fully repaid in December 2018.

Transactions with Shanghai Yijia Chuangye Investment Center LLP ("Yijia Chuangye")

Yijia Chuangye is a special purpose entity controlled by Mr. Guangjie Jin, our founder and chief executive officer and is maintained to hold shares as share-based compensation awards to our employees. As of September 30, 2017 and 2018 and June 30, 2019, we had RMB4.4 million, RMB4.4 million (US$0.6 million) and RMB4.4 million (US$0.6 million) due from Yijia Chuangye, respectively. Such amounts represented our loans to Yijia Chuangye, which were interest free and payable on demand. Yijia Chuangye used such amounts to purchase our shares, and the outstanding amounts are expected to be repaid before the completion of this offering.

Participation in Offering

Our existing shareholders, Crescent Capital Investments Ltd., Newsion One Inc., Newsion Two Inc. and Youzhen Inc., have indicated an interest that they or their affiliates may purchase an aggregate of up to US$45.0 million worth of the ADSs being offered in this offering at the initial public offering price and on the same terms as the other ADSs being offered in this offering. Assuming an initial public offering price of US$18.00 per ADS, which is the mid-point of the estimated offering price range, the number of ADSs to be purchased by these existing shareholders or their affiliates would be up to 2,500,000 ADSs. However, because these indications of interest are not binding agreements or commitments to purchase, we and the underwriters could determine to sell more, fewer or no ADSs to any of these potential purchasers, and any of these potential purchasers could determine to purchase more, fewer or no ADSs in this offering. The number of ADSs available for sale to the general public will be reduced to the extent that these existing shareholders purchase the ADSs.

DESCRIPTION OF SHARE CAPITAL

We are a Cayman Islands exempted company with limited liability and our affairs are governed by our memorandum and articles of association, the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised), as amended, of the Cayman Islands, which is referred to as the Companies Law below, and the common law of the Cayman Islands.

As of the date of this prospectus, our authorized share capital was US$50,000 divided into 5,000,000,000 shares, par value of US$0.00001 each, comprising of (a) 2,500,000,000 Class A ordinary shares; (b) 1,000,000,000 Class B ordinary shares; and (c) 1,500,000,000 preferred shares comprising of (i) 255,549,510 series A preferred shares, of which 131,617,560 are designated as series A-1 preferred shares, 40,121,500 are designated as series A-2 preferred shares, and 83,810,450 are designated as series A-3 preferred shares, (ii) 160,000,000 series B preferred shares, (iii) 120,000,000 series C preferred shares, (iv) 103,500,000 series C-1 preferred shares, (v) 273,360,850 series C-2 preferred shares, and (vi) 587,589,640 are undesignated.

As of the date of this prospectus, there were 120,121,410 Class A ordinary shares, 310,329,080 Class B ordinary shares, 131,617,560 series A-1 preferred shares, 40,121,500 series A-2 preferred shares, 83,810,450 series A-3 preferred shares, 160,000,000 series B preferred shares, 120,000,000 series C preferred shares, 103,500,000 series C-1 preferred shares and 273,360,850 series C-2 preferred shares issued and outstanding.

Upon completion of this offering, we will have 1,128,142,221 Class A ordinary shares and 370,718,629 Class B ordinary shares issued and outstanding, assuming the underwriters do not exercise their over-allotment option. All of our ordinary shares issued and outstanding prior to the completion of the offering are and will be fully paid, and all of our ordinary shares to be issued in the offering will be issued as fully paid. Our authorized share capital post-offering will be US$500,000 divided into 50,000,000,000 ordinary shares with a par value of US$0.00001 each, of which 37,500,000,000 shall be designated as Class A ordinary shares, 2,500,000,000 shall be designated as Class B ordinary shares and 10,000,000,000 shall be designated as preferred shares, as our board of directors may determine in accordance with our post-offering memorandum and articles of association.

Our Post-Offering Memorandum and Articles of Association

We have adopted an amended and restated memorandum and articles of association, which will become effective and replace our current amended and restated memorandum and articles of association in their entirety immediately prior to the completion of this offering. The following are summaries of material provisions of our post-offering memorandum and articles of association and the Companies Law insofar as they relate to the material terms of our ordinary shares.

Objects of Our Company

Under our post-offering memorandum of association, the objects for which our company is established are unrestricted and we have the full power and authority to carry out any object not prohibited by the law of the Cayman Islands.

Ordinary Shares

General. Our ordinary shares are divided into Class A ordinary shares and Class B ordinary shares. Holders of our Class A ordinary shares and Class B ordinary shares will have the same rights except for voting and conversion rights. Our ordinary shares are issued in registered form and are issued when registered in our register of members. Our shareholders who are nonresidents of the Cayman Islands may freely hold and vote their shares.

Conversion. Each Class B ordinary share is convertible into one Class A ordinary share at any time at the option of the holder thereof. Class A ordinary shares are not convertible into Class B ordinary shares under any

circumstances. Upon any transfer of Class B ordinary shares by a holder to any person or entity which is not an affiliate of such holder, such Class B ordinary shares shall be automatically and immediately converted into the equivalent number of Class A ordinary shares.

Dividends. The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors. Our post-offering amended and restated articles of association provide that dividends may be declared and paid out of our profits, realized or unrealized, or from any reserve set aside from profits which our board of directors determine is no longer needed. Dividends may also be declared and paid out of share premium account or any other fund or account which can be authorized for this purpose in accordance with the Companies Law.

Voting Rights. Holders of our ordinary shares have the right to receive notice of, attend, speak and vote at general meetings of our company. Except as required by applicable law and subject to the post-offering amended and restated memorandum and articles of association, 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 of the shareholders.

At any general meeting on a poll, every shareholder holding Class A ordinary shares present in person or by proxy or, in the case of a shareholder being a corporation, by its duly authorized representative shall have one (1) vote for every fully paid Class A ordinary share of which he is the holder; and every shareholder holding Class B ordinary shares present in person or by proxy or, in the case of a shareholder being a corporation, by its duly authorized representative shall have ten (10) votes for every fully paid Class B ordinary share of which he is the holder.

A resolution put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands in which case (i) every shareholder holding Class A ordinary shares present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one (1) vote, and (ii) every shareholder holding Class B ordinary shares present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have ten (10) votes, provided that, notwithstanding anything contained in our post-offering amended and restated memorandum and articles of association, where more than one proxy is appointed by a shareholder which is a clearing house or a central depository house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For the purposes of our post-offering amended and restated memorandum and articles of association, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by us to the shareholders; and (ii) relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all shareholders a reasonable opportunity to express their views.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the shares cast at a meeting, while a special resolution requires the affirmative vote of no less than two-thirds of the votes attaching to the shares cast at a meeting. A special resolution will be required for important matters such as a change of name or making changes to our post-offering amended and restated memorandum and articles of association.

Transfer of Ordinary Shares. Subject to the restrictions contained in our post-offering memorandum and articles of association, 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.

Our board of directors may, in its absolute discretion, and without giving any reason therefor, refuse to register a transfer of any share that is not a fully paid up share to a person of whom it does not approve, or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also, without prejudice to the foregoing generality, refuse to register a transfer of

any share to more than four joint holders or a transfer of any share that is not a fully paid up share on which we have 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, if required;
- a fee of such maximum sum as the Nasdaq may determine to be payable or such lesser sum as our directors may from time to time require is paid to us in respect thereof.

If our directors refuse to register a transfer, they shall, within three months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, after compliance with any notice required of the Nasdaq, be suspended and the register of members closed at such times and for such periods as our board of directors may from time to time determine, provided, however, that the registration of transfers shall not be suspended nor the register of members closed for more than 30 days in any year as our board may determine.

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 shall 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 ordinary share capital, the assets will be distributed so that the losses are borne by our holders of ordinary shares proportionately.

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 in a notice served to such shareholders at least 14 clear days prior to the specified time of payment. The ordinary shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption of Ordinary Shares. The Companies Law and our post-offering amended and restated articles of association permit us to purchase our own shares. In accordance with our post-offering amended and restated articles of association and provided the necessary shareholders or board approval have been obtained, we may issue shares on terms that are subject to redemption, at our option or at the option of the holders of these shares, on such terms and in such manner, including out of capital, as may be determined by our board of directors.

Variations of Rights of Shares. All or any of the special rights attached to any class of shares may, subject to the provisions of the Companies Law, be varied with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class. Separate general meetings of the holders of a class or series of shares may be called only by (i) the chairman of our board of directors, or (ii) a majority of our board of directors (unless otherwise specifically provided by the terms of issue of the shares of such class or series), and nothing in the post-offering amended and restated memorandum and articles of association shall give any shareholder or shareholders the right to call a class or series meeting. The rights conferred upon the holders of the shares of any class issued shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu with such existing class of shares.

General Meetings of Shareholders

A quorum required for a meeting of shareholders consists of one or more shareholders present in person or by proxy representing not less than one-third of all voting power of the company’s share capital in issue.

(i) A majority of our board of directors, or (ii) the chairman of our board of directors, or (iii) any director, where required to give effect to a requisition received under the post-offering amended and restated memorandum and articles of association, may call extraordinary general meetings, which extraordinary general meetings shall be held at such times and locations (as permitted hereby) as such person or persons shall determine.

Any one or more shareholders holding at the date of deposit of the requisition not less than two-thirds of the voting power of our share capital in issue carrying the right of voting at general meetings of our company shall at all times have the right, by written requisition to our board of directors or our secretary, to require an extraordinary general meeting to be called by our board of directors for the transaction of any business permitted by the Companies Law or the post-offering amended and restated memorandum and articles of association (subject to the below) as specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit our board of directors fails to proceed to convene such meeting the requisitionist(s) himself or herself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of our board of directors shall be reimbursed to the requisitionist(s) by us.

A meeting requisitioned under the post-offering amended and restated memorandum and articles of association shall not be permitted to consider or vote upon (A) any resolutions with respect to the election, appointment or removal of directors or with respect to the size of our board of directors, unless such proposal is first approved by our nominating and corporate governance committee; or (B) other than a special resolution in respect of the appointment or removal of any director, any special resolution or any matters required to be passed by way of special resolution pursuant to the post-offering amended and restated memorandum and articles of association or the Companies Law. Written notice shall be given not less than ten days before the date of any general meeting.

Inspection of Books and Records

Holders of our ordinary shares will have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records. However, we will in our post-offering articles of association provide our shareholders with the right to inspect our list of shareholders and to receive annual audited financial statements. See “Where You Can Additional Information.”

Changes in Capital

We may from time to time by ordinary resolution:

- increase the share capital by such sum, to be divided into shares of such classes and 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; 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 canceled.

We may by special resolution, subject to any confirmation or consent required by the Companies Law, reduce our share capital or any capital redemption reserve in any manner permitted by law.

Proceedings Of The Directors

Our board of directors may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it considers appropriate. Questions arising at any meeting shall be determined by a majority of votes, other than

(i) any removal of any person as a director, or (ii) any appointment or removal of any person as the chairman of our board of directors, or (iii) any removal of any person as chairman or other member of any committee of our board of directors which, in each case, shall be determined by a resolution passed by a majority of not less than two-thirds of votes cast by such directors as, being entitled so to do, vote at a meeting of our board of directors. In the case of any equality of votes the chairman of the meeting shall have an additional or casting vote. A meeting of our board of directors may be convened by (i) the chairman of our board of directors, or (ii) a majority of the directors. Our secretary shall convene a meeting of our board of directors whenever so required to do by the chairman of our board of directors or a majority of the directors by notice in writing to each director. A meeting of our board of directors may be called by not less than two (2) clear days' notice. A meeting of our board of directors may be called by shorter notice if it is so agreed by all the directors entitled to attend and vote at such a meeting. Any notice of a meeting of our board of directors shall (i) specify the time and place of the meeting, and (ii) set out in reasonable detail the nature of the business to be discussed at the meeting. Notice may be given in writing or by telephone or in such other manner as our board of directors may from time to time determine.

A resolution in writing signed by all the directors (other than in the circumstances set out in article 85 in our post-offering amended and restated memorandum and articles of association) except such as are temporarily unable to act due to ill-health or disability shall (*provided* that (i) the circulation of such resolutions has the prior approval of, and is initiated by, the chairman of our board of directors, (ii) such number of signatories includes the chairman of our board of directors and is sufficient to constitute a quorum, and (iii) further *provided* that a copy of such resolution has been given or the contents thereof communicated to all the directors for the time being entitled to receive notices of board meetings in the same manner as notices of meetings are required to be given by our post-offering amended and restated memorandum and articles of association) be as valid and effectual as if a resolution had been passed at a meeting of our board of directors duly convened and held.

Exempted Company

We are an exempted company with limited liability incorporated under the Companies Law. The Companies Law in the Cayman Islands 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 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 the shares of the company. Upon the completion of this offering, we will be subject to reporting and other informational requirements of the Exchange Act, as applicable to foreign private issuers. We currently intend to comply with the Nasdaq rules in lieu of following home country practice. The Nasdaq rules require that

every company listed on the Nasdaq hold an annual general meeting of shareholders. In addition, our post-offering amended and restated articles of association allow directors to call special meeting of shareholders pursuant to the procedures set forth in our articles.

Differences in Corporate Law

The Companies Law is modeled after that of England and Wales but does not follow recent statutory enactments in England. In addition, the Companies Law 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 Law applicable to us and the laws applicable to companies incorporated in the State of Delaware.

Mergers and Similar Arrangements

A merger of two or more constituent companies under Cayman Islands law requires a plan of merger or consolidation to be approved by the directors of each constituent company and authorization by a special resolution of the members of each constituent company.

A merger between a Cayman parent company and its Cayman subsidiary or subsidiaries does not require authorization by a resolution of shareholders. For this purpose a subsidiary is a company of which at least ninety percent (90%) of the issued shares entitled to vote are owned by the parent company.

The consent of each holder of a fixed or floating security interest over a constituent company is required unless this requirement is waived by a court in the Cayman Islands.

Save in certain circumstances, a dissentient shareholder of a Cayman constituent company is entitled to payment of the fair value of his shares upon dissenting to a merger or consolidation. The exercise of appraisal rights will preclude the exercise of any other rights save for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

In addition, there are statutory provisions that facilitate the reconstruction and amalgamation of companies, provided that the arrangement is approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made, and who must, in addition, represent three-fourths in value of each such class of shareholders or 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 Law.

When a takeover offer is made and accepted by holders of 90% of the shares, the subject of the offer, 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, there are exceptions to the foregoing principle, including when:

- a company acts or proposes to act illegally or ultra vires;
- the act complained of, although not ultra vires, could only be effected duly if authorized by more than a simple majority vote that has not been obtained; and
- those who control the company are perpetrating a "fraud on the minority."

Indemnification of Directors and Executive Officers and Limitation of Liability

Cayman Islands law does not limit the extent to which a company's memorandum and 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 post-offering amended and restated memorandum and articles of association permit indemnification of officers and directors for losses, damages, costs and expenses incurred in their capacities as such unless such losses or damages arise from dishonesty or fraud which may attach to such directors or officers. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation. In addition, we intend to enter into indemnification agreements with our directors and senior executive officers that will provide such persons with additional indemnification beyond that provided in our post-offering amended and restated 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 Post-offering Memorandum and Articles of Association

Some provisions of our post-offering amended and restated 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 post-offering amended and restated memorandum and articles of association, as amended and restated from time to time, 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 it is considered that he owes the following duties to the company — a duty to act *bona fide* in the best interests of the company, a duty not to make a profit based on his or her position as director (unless the company permits him to do so) and 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. 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 Action by Written Consent

Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. Our post-offering amended and restated articles of association provide that shareholders may not approve corporate matters by way of a unanimous written resolution signed by or on behalf of each shareholder who would have been entitled to vote on such matter at a general meeting without a meeting being held.

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. 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.

Our post-offering amended and restated articles of association allow our shareholders to requisition a shareholders' meeting (see above). As an exempted Cayman Islands company, we are not obliged by law to call shareholders' annual general meetings though we may do so.

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. As permitted under Cayman Islands law, our post-offering amended and restated 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. Subject to any provision to the contrary in our post-offering amended and restated memorandum and articles of association, a director may, at any time before the expiration of his or her period of office (notwithstanding anything in our post-offering amended and restated memorandum and articles of association or in any agreement between our company and such director (but without prejudice to any claim for damages under any such agreement)) be removed by way of either (a) an ordinary resolution of the shareholders; or (b) the affirmative vote of a majority of the remaining directors present and voting at a board meeting; or (c) a resolution in writing (which complies with the requirements of the provisos contained in article 119 of our post-offering amended and restated memorandum and articles of association) signed by all the directors other than the director being removed.

Transactions with Interested Shareholders

The Delaware General Corporation Law contains a business combination statute applicable to Delaware corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, 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 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, it does provide that 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.

Under the Companies Law and our post-offering amended and restated articles of association, our company may be dissolved, liquidated or wound up by a special resolution of shareholders.

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 post-offering amended and restated 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 sanction of a special resolution passed at a general meeting of the holders of the shares of that class.

Amendment of Governing Documents

Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. As permitted by Cayman Islands law, our post-offering amended and restated memorandum and articles of association may only be amended by a special resolution of shareholders.

Rights of Non-Resident or Foreign Shareholders

There are no limitations imposed by our post-offering amended and restated 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 post-offering amended and restated memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

Directors' Power to Issue Shares

Subject to applicable law, 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.

History of Securities Issuances

The following is a summary of our securities issuances in the past three years.

Ordinary shares

On April 25, 2017, we re-classified and re-designated 80,000,000 shares of YIJIA INC. into Class B ordinary shares of a nominal or par value of US$0.00001.

On March 16, 2018, we issued an aggregate number of 46,000,000 Class A ordinary shares to YIJIA INC.

Preferred shares

On July 26, 2017, we issued an aggregate number of 120,000,000 series C preferred shares to North Haven Private Equity Asia Harbor Company Limited with a total consideration of US$30.0 million.

On March 16, 2018, we issued an aggregate number of 103,500,000 series C-1 preferred shares to CP QK Singapore Pte Ltd. with a total consideration of US$30.0 million.

On June 3, 2019, we issued an aggregate number of 176,869,198 series C-2 preferred shares to CP QK Singapore Pte Ltd., with a total consideration of US$53.9 million, and an aggregate number of 96,491,652 series C-2 preferred shares to Innovative Housing Solutions Pte. Ltd., with a total consideration of US$29.4 million.

Option Grants

See "Management—Stock Options A and Stock Options B."

RSU Issuances

In 2017, we issued 15.99 million RSUs to a consulting company, out of which 5.2 million RSUs vested immediately upon grant and the remaining 10.79 million RSUs were re-purchasable by us anytime at our

discretion with nominal price before certain dates. We determined that RSUs with repurchase rights are not considered issued until the expiration of the repurchase rights. At each of the expiration dates, the corresponding RSUs are considered issued and vested immediately, and a measurement date has been reached. In July 2019, we repurchased 5.19 million RSUs.

Warrant Grants

On July 31, 2017, we granted SHRB a warrant, pursuant to which SHRB is entitled to purchase Class A ordinary shares worth RMB15.0 million (US$2.2 million). This warrant is exercisable until December 31, 2026 but not later than three months prior to our determination of listing application. As of the date of this prospectus, this warrant is expired.

On October 12, 2018, we granted SHRB a warrant, pursuant to which SHRB is entitled to purchase Class A ordinary shares worth RMB5.0 million (US$0.7 million). This warrant is exercisable until December 31, 2026 but not later than three months prior to our determination of listing application. As of the date of this prospectus, this warrant is expired.

Shareholders Agreement

We entered into our third amended and restated shareholders agreement on June 3, 2019 with our shareholders, which consist of the holders of series A preferred shares, series B preferred shares, series C preferred shares, series C-1 preferred shares and series C-2 preferred shares.

The shareholders agreement also provides for certain preferential rights, including right of first refusal, co-sale rights, preemptive rights. Except for the registration rights, all the preferential rights will automatically terminate upon the completion of this offering.

Registration Rights

Pursuant to our current shareholders agreement, we have granted certain registration rights to our shareholders. Set forth below is a description of the registration rights granted under the agreement.

Demand Registration Rights

At any time after the earlier of (i) the fourth anniversary of the closing date of series C-2 preferred share subscription or (ii) six months following the closing of our initial public offering, holder(s) holding at least 10% or more of the issued and outstanding registrable securities (on an as-converted basis) may request in writing that we effect a registration of registrable securities on any internationally recognized exchange that is reasonably acceptable to such requesting holder(s). Registrable securities means (i) our ordinary shares issued or issuable upon conversion of our preferred shares, (ii) our ordinary shares owned or acquired by our preferred shareholder, and (iii) our ordinary shares issued as a dividend or other distribution with respect to, in exchange for, or in replacement of, the shares referenced in (i) and (ii) herein.

Upon receipt of such a request, we shall, subject to certain right of deferral, (x) within ten business days of the receipt of such written request give written notice of the proposed registration to all other holders and (y) as soon as practicable, use our best efforts to cause the registrable securities specified in the request, together with any registrable securities of any holder who requests in writing to join such registration within twenty days after receipt of the such written request, to be registered and/or qualified for sale and distribution in such jurisdiction as the initiating holders may request. We shall be obligated to effect no more than three registrations that have been declared and ordered effective; provided that if the sale of all of the registrable securities sought to be included is not consummated for any reason other than due to the action or inaction of the holders including registrable securities in such registration, such registration shall not be deemed to constitute one of the registration rights granted.

Form F-3 Registration Rights

If we qualify for registration on Form F-3 or Form S-3 (or any comparable form for registration in a jurisdiction other than the United States), any holder may request us to file, in any jurisdiction in which we have had a registered underwritten public offering, a registration statement on Form F-3 or Form S-3 (or any comparable form for registration in a jurisdiction other than the United States), including without limitation any registration statement filed under the Securities Act providing for the registration of, and the sale on a continuous or a delayed basis by the holders of, all of the registrable securities pursuant to Rule 415 under the Securities Act and/or any similar rule that may be adopted by the Commission. Upon receipt of such a request, we shall, subject to certain right of deferral, (i) promptly give written notice of the proposed registration to all other holders and (ii) as soon as practicable, use our best efforts to cause the registrable securities specified in the request, together with any registrable securities of any holder who requests in writing to join such registration within twenty days after our delivery of written notice, to be registered and qualified for sale and distribution in such jurisdiction within sixty days of the receipt of such request. The holders shall be entitled to an unlimited number of registrations.

Piggyback Registration Rights

If we propose to register for our own account any of our equity securities, or for the account of any holder (other than current shareholders) of equity securities any of such holder's equity securities, we shall promptly give each holder written notice of such registration and, upon the written request of any holder given within fifteen days after delivery of such notice, we shall use our best efforts to include in such registration any registrable securities thereby requested to be registered by such holder. We have no obligation to register any registrable securities in connection with a registration by our company (i) relating solely to the sale of securities to participants in a company share plan, or (ii) relating to a corporate reorganization or other transaction under Rule 145 of the Securities Act (or comparable provision under the Laws of another jurisdiction, as applicable). Without limiting the foregoing, the holders shall be entitled to an unlimited number of registrations. If a holder decides not to include all or any of its registrable securities in such registration by our company, such holder shall nevertheless continue to have the right to include any registrable securities in any subsequent registration statement or registration statements as may be filed by our company, all upon the terms and conditions set forth herein. We shall not grant to any other shareholders any similar rights superior to those of the preferred shareholders, except with the consent of preferred shareholders.

Expenses of Registration

We will bear all registration expenses, other than underwriting discounts and selling commissions, incurred in connection with any demand, F-3 or piggyback registration.

Termination of Obligations

The registration rights set forth above shall terminate on the later of (a) the fifth anniversary after the date of closing of a qualified initial public offering, and (b) with respect to any holder, the date following a qualified initial public offering on which such holder holds less than 1% of our equity securities and all registrable securities may be sold under Rule 144 of the Securities Act in any ninety-day period.

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

American Depositary Shares

The Bank of New York Mellon, as depositary, will register and deliver ADSs. Each ADS will represent 30 Class A ordinary shares (or a right to receive 30 Class A ordinary shares) deposited with The Hongkong and Shanghai Banking Corporation Limited, as custodian for the depositary in Hong Kong. Each ADS will also represent any other securities, cash or other property which may be held by the depositary. The deposited shares together with any other securities, cash or other property held by the depositary are referred to as the deposited securities. The depositary's office at which the ADSs will be administered and its principal executive office are located at 240 Greenwich Street, New York, New York 10286.

You may hold ADSs either (A) directly (i) by having an American depositary receipt, also referred to as an ADR, which is a certificate evidencing a specific number of ADSs, registered in your name, or (ii) by having uncertificated ADSs registered in your name, or (B) indirectly by holding a security entitlement in ADSs through your broker or other financial institution that is a direct or indirect participant in The Depository Trust Company, also called DTC. If you hold ADSs directly, you are a registered ADS holder, also referred to as an ADS holder. This description assumes you are an ADS holder. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS holders described in this section. You should consult with your broker or financial institution to find out what those procedures are.

Registered holders of uncertificated ADSs will receive statements from the depositary confirming their holdings.

As an ADS holder, we will not treat you as one of our shareholders and you will not have shareholder rights. Cayman Islands law governs shareholder rights. The depositary will be the holder of the shares underlying your ADSs. As a registered holder of ADSs, you will have ADS holder rights. A deposit agreement among us, the depositary, ADS holders and all other persons indirectly or beneficially holding ADSs sets out ADS holder rights as well as the rights and obligations of the depositary. New York law governs the deposit agreement and the ADSs.

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 ADR. For directions on how to obtain copies of those documents, see "Where You Can Find Additional Information."

Dividends and Other Distributions

How will you receive dividends and other distributions on the shares?

The depositary has agreed to pay or distribute to ADS holders the cash dividends or other distributions it or the custodian receives on shares or other deposited securities, upon payment or deduction of its fees and expenses. You will receive these distributions in proportion to the number of shares your ADSs represent.

- ***Cash***. The depositary will convert any cash dividend or other cash distribution we pay on the shares into U.S. dollars, if it can do so on a reasonable basis and can transfer the U.S. dollars to the United States. If that is not possible or if any government approval is needed and cannot be obtained, the deposit agreement allows the depositary to distribute the foreign currency only to those ADS holders to whom it is possible to do so. It will hold the foreign currency it cannot convert for the account of the ADS holders who have not been paid. It will not invest the foreign currency and it will not be liable for any interest. Before making a distribution, any withholding taxes, or other governmental charges that must be paid will be deducted. See "Taxation." The depositary will distribute only whole U.S. dollars and cents and will round fractional cents to the nearest whole cent. *If the exchange rates fluctuate during a time when the depositary cannot convert the foreign currency, you may lose some of the value of the distribution.*

- ***Shares***. The depositary may distribute additional ADSs representing any shares we distribute as a dividend or free distribution. The depositary will only distribute whole ADSs. It will sell shares which would require it to deliver a fraction of an ADS (or ADSs representing those shares) and distribute the net proceeds in the same way as it does with cash. If the depositary does not distribute additional ADSs, the outstanding ADSs will also represent the new shares. The depositary may sell a portion of the distributed shares (or ADSs representing those shares) sufficient to pay its fees and expenses in connection with that distribution.
- ***Rights to purchase additional shares***. If we offer holders of our securities any rights to subscribe for additional shares or any other rights, the depositary may (i) exercise those rights on behalf of ADS holders, (ii) distribute those rights to ADS holders or (iii) sell those rights and distribute the net proceeds to ADS holders, in each case after deduction or upon payment of its fees and expenses. To the extent the depositary does not do any of those things, it will allow the rights to lapse. *In that case, you will receive no value for them.* The depositary will exercise or distribute rights only if we ask it to and provide satisfactory assurances to the depositary that it is legal to do so. If the depositary will exercise rights, it will purchase the securities to which the rights relate and distribute those securities or, in the case of shares, new ADSs representing the new shares, to subscribing ADS holders, but only if ADS holders have paid the exercise price to the depositary. U.S. securities laws may restrict the ability of the depositary to distribute rights or ADSs or other securities issued on exercise of rights to all or certain ADS holders, and the securities distributed may be subject to restrictions on transfer.
- ***Other Distributions***. The depositary will send to ADS holders anything else we distribute on deposited securities by any means it thinks is legal, fair and practical. If it cannot make the distribution in that way, the depositary has a choice. It may decide to sell what we distributed and distribute the net proceeds, in the same way as it does with cash. Or, it may decide to hold what we distributed, in which case ADSs will also represent the newly distributed property. However, the depositary is not required to distribute any securities (other than ADSs) to ADS holders unless it receives satisfactory evidence from us that it is legal to make that distribution. The depositary may sell a portion of the distributed securities or property sufficient to pay its fees and expenses in connection with that distribution. U.S. securities laws may restrict the ability of the depositary to distribute securities to all or certain ADS holders, and the securities distributed may be subject to restrictions on transfer.

The depositary is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADS holders. We have no obligation to register ADSs, shares, rights or other securities under the Securities Act. We also have no obligation to take any other action to permit the distribution of ADSs, shares, rights or anything else to ADS holders. *This means that you may not receive the distributions we make on our shares or any value for them if it is illegal or impractical for us to make them available to you*.

Deposit, Withdrawal and Cancellation

How are ADSs issued?

The depositary will deliver ADSs if you or your broker deposits shares or evidence of rights to receive shares with the custodian. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will register the appropriate number of ADSs in the names you request and will deliver the ADSs to or upon the order of the person or persons that made the deposit.

How can ADS holders withdraw the deposited securities?

You may surrender your ADSs to the depositary for the purpose of withdrawal. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the depositary will deliver the shares and any other deposited securities underlying the ADSs to the ADS holder or a person the ADS holder designates at the office of the custodian. Or, at your request, risk and expense, the depositary will deliver

the deposited securities at its office, if feasible. However, the depositary is not required to accept surrender of ADSs to the extent it would require delivery of a fraction of a deposited share or other security. The depositary may charge you a fee and its expenses for instructing the custodian regarding delivery of deposited securities.

How do ADS holders interchange between certificated ADSs and uncertificated ADSs?

You may surrender your ADR to the depositary for the purpose of exchanging your ADR for uncertificated ADSs. The depositary will cancel that ADR and will send to the ADS holder a statement confirming that the ADS holder is the registered holder of uncertificated ADSs. Upon receipt by the depositary of a proper instruction from a registered holder of uncertificated ADSs requesting the exchange of uncertificated ADSs for certificated ADSs, the depositary will execute and deliver to the ADS holder an ADR evidencing those ADSs.

Voting Rights

How do you vote?

ADS holders may instruct the depositary how to vote the number of deposited shares their ADSs represent. If we request the depositary to solicit your voting instructions (and we are not required to do so), the depositary will notify you of a shareholders' meeting and send or make voting materials available to you. Those materials will describe the matters to be voted on and explain how ADS holders may instruct the depositary how to vote. For instructions to be valid, they must reach the depositary by a date set by the depositary. The depositary will try, as far as practical, subject to the laws of the Cayman Islands and the provisions of our articles of association or similar documents, to vote or to have its agents vote the shares or other deposited securities as instructed by ADS holders. If we do not request the depositary to solicit your voting instructions, you can still send voting instructions, and, in that case, the depositary may try to vote as you instruct, but it is not required to do so.

Except by instructing the depositary as described above, you won't be able to exercise voting rights unless you surrender your ADSs and withdraw the shares. However, you may not know about the meeting enough in advance to withdraw the shares. In any event, the depositary will not exercise any discretion in voting deposited securities and it will only vote or attempt to vote as instructed.

We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the depositary to vote your shares. In addition, the depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. *This means that you may not be able to exercise voting rights and there may be nothing you can do if your shares are not voted as you requested.*

In order to give you a reasonable opportunity to instruct the depositary as to the exercise of voting rights relating to deposited securities, if we request the Depositary to act, we agree to give the depositary notice of any such meeting and details concerning the matters to be voted upon at least 30 days in advance of the meeting date.

Fees and Expenses

Persons depositing or withdrawing shares or ADS holders must pay:	***For:***
US$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)	Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property
	Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates
US$.05 (or less) per ADS	Any cash distribution to ADS holders
A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs	Distribution of securities distributed to holders of deposited securities (including rights) that are distributed by the depositary to ADS holders

US$.05 (or less) per ADS per calendar year	Depositary services
Registration or transfer fees	Transfer and registration of shares on our share register to or from the name of the depositary or its agent when you deposit or withdraw shares
Expenses of the depositary	Cable (including SWIFT) and facsimile transmissions (when expressly provided in the deposit agreement) Converting foreign currency to U.S. dollars
Taxes and other governmental charges the depositary or the custodian has to pay on any ADSs or shares underlying ADSs, such as stock transfer taxes, stamp duty or withholding taxes	As necessary
Any charges incurred by the depositary or its agents for servicing the deposited securities	As necessary

The depositary collects its fees for delivery and surrender 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 may collect any of its fees by deduction from any cash distribution payable (or by selling a portion of securities or other property distributable) to ADS holders that are obligated to pay those fees. The depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

From time to time, the depositary may make payments to us to reimburse us for costs and expenses generally arising out of establishment and maintenance of the ADS program, waive fees and expenses for services provided to us by the depositary or share revenue from the fees collected from ADS holders. In performing its duties under the deposit agreement, the depositary may use brokers, dealers, foreign currency dealers or other service providers that are owned by or affiliated with the depositary and that may earn or share fees, spreads or commissions.

The depositary may convert currency itself or through any of its affiliates and, in those cases, acts as principal for its own account and not as agent, advisor, broker or fiduciary on behalf of any other person and earns revenue, including, without limitation, transaction spreads, that it will retain for its own account. The revenue is based on, among other things, the difference between the exchange rate assigned to the currency conversion made under the deposit agreement and the rate that the depositary or its affiliate receives when buying or selling foreign currency for its own account. The depositary makes no representation that the exchange rate used or obtained in any currency conversion under the deposit agreement will be the most favorable rate that could be obtained at the time or that the method by which that rate will be determined will be the most favorable to ADS holders, subject to the depositary's obligations under the deposit agreement. The methodology used to determine exchange rates used in currency conversions is available upon request.

Payment of Taxes

You will be responsible for any taxes or other governmental charges payable on your ADSs or on the deposited securities represented by any of your ADSs. The depositary may refuse to register any transfer of your ADSs or allow you to withdraw the deposited securities represented by your ADSs until those taxes or other charges are paid. It may apply payments owed to you or sell deposited securities represented by your ADSs to

pay any taxes owed and you will remain liable for any deficiency. If the depositary sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to ADS holders any proceeds, or send to ADS holders any property, remaining after it has paid the taxes.

Tender and Exchange Offers; Redemption, Replacement or Cancellation of Deposited Securities

The depositary will not tender deposited securities in any voluntary tender or exchange offer unless instructed to do so by an ADS holder surrendering ADSs and subject to any conditions or procedures the depositary may establish.

If deposited securities are redeemed for cash in a transaction that is mandatory for the depositary as a holder of deposited securities, the depositary will call for surrender of a corresponding number of ADSs and distribute the net redemption money to the holders of called ADSs upon surrender of those ADSs.

If there is any change in the deposited securities such as a sub-division, combination or other reclassification, or any merger, consolidation, recapitalization or reorganization affecting the issuer of deposited securities in which the depositary receives new securities in exchange for or in lieu of the old deposited securities, the depositary will hold those replacement securities as deposited securities under the deposit agreement. However, if the depositary decides it would not be lawful or would not be practical to hold the replacement securities because those securities could not be distributed to ADS holders or for any other reason, the depositary may instead sell the replacement securities and distribute the net proceeds upon surrender of the ADSs.

If there is a replacement of the deposited securities and the depositary will continue to hold the replacement securities, the depositary may distribute new ADSs representing the new deposited securities or ask you to surrender your outstanding ADRs in exchange for new ADRs identifying the new deposited securities.

If there are no deposited securities underlying ADSs, including if the deposited securities are cancelled, or if the deposited securities underlying ADSs have become apparently worthless, the depositary may call for surrender of those ADSs or cancel those ADSs upon notice to the ADS holders.

Amendment and Termination

How may the deposit agreement be amended?

We may agree with the depositary to amend the deposit agreement and the ADRs without your consent for any reason. If an amendment adds or increases fees or charges, except for taxes and other governmental charges or expenses of the depositary for registration fees, facsimile costs, delivery charges or similar items, or prejudices a substantial right of ADS holders, it will not become effective for outstanding ADSs until 30 days after the depositary notifies ADS holders of the amendment. *At the time an amendment becomes effective, you are considered, by continuing to hold your ADSs, to agree to the amendment and to be bound by the ADRs and the deposit agreement as amended*.

How may the deposit agreement be terminated?

The depositary will initiate termination of the deposit agreement if we instruct it to do so. The depositary may initiate termination of the deposit agreement if

- 60 days have passed since the depositary told us it wants to resign but a successor depositary has not been appointed and accepted its appointment;
- we delist the ADSs from an exchange in the United States on which they were listed and do not list the ADSs on another exchange in the United States or make arrangements for trading of ADSs on the U.S. over-the-counter market;

- the depositary has received notice of facts indicating that the ADSs have become, or will become, ineligible for registration on Form F-6 under the Securities Act of 1933;
- we appear to be insolvent or enter insolvency proceedings;
- all or substantially all the value of the deposited securities has been distributed either in cash or in the form of securities;
- there are no deposited securities underlying the ADSs or the underlying deposited securities have become apparently worthless; or
- there has been a replacement of deposited securities.

If the deposit agreement will terminate, the depositary will notify ADS holders at least 90 days before the termination date. At any time after the termination date, the depositary may sell the deposited securities. After that, the depositary will hold the money it received on the sale, as well as any other cash it is holding under the deposit agreement, unsegregated and without liability for interest, for the pro rata benefit of the ADS holders that have not surrendered their ADSs. Normally, the depositary will sell as soon as practicable after the termination date.

After the termination date and before the depositary sells, ADS holders can still surrender their ADSs and receive delivery of deposited securities, except that the depositary may refuse to accept a surrender for the purpose of withdrawing deposited securities or reverse previously accepted surrenders of that kind that have not settled if it would interfere with the selling process. The depositary may refuse to accept a surrender for the purpose of withdrawing sale proceeds until all the deposited securities have been sold. The depositary will continue to collect distributions on deposited securities, but, after the termination date, the depositary is not required to register any transfer of ADSs or distribute any dividends or other distributions on deposited securities to the ADSs holder (until they surrender their ADSs) or give any notices or perform any other duties under the deposit agreement except as described in this paragraph.

Limitations on Obligations and Liability

Limits on our Obligations and the Obligations of the Depositary; Limits on Liability to Holders of ADSs

The deposit agreement expressly limits our obligations and the obligations of the depositary. It also limits our liability and the liability of the depositary. We and the depositary:

- are only obligated to take the actions specifically set forth in the deposit agreement without negligence or bad faith, and the depositary will not be a fiduciary or have any fiduciary duty to holders of ADSs;
- are not liable if we are or it is prevented or delayed by law or by events or circumstances beyond our or its control from performing our or its obligations under the deposit agreement;
- are not liable if we or it exercises discretion permitted under the deposit agreement;
- are not liable for the inability of any holder of ADSs to benefit from any distribution on deposited securities that is not made available to holders of ADSs under the terms of the deposit agreement, or for any special, consequential or punitive damages for any breach of the terms of the deposit agreement;
- have no obligation to become involved in a lawsuit or other proceeding related to the ADSs or the deposit agreement on your behalf or on behalf of any other person;
- may rely upon any documents we believe or it believes in good faith to be genuine and to have been signed or presented by the proper person;

- are not liable for the acts or omissions of any securities depository, clearing agency or settlement system; and
- the depositary has no duty to make any determination or provide any information as to our tax status. Neither the depositary nor we have any liability for any tax consequences that may be incurred by ADS holders as a result of owning or holding ADSs or be liable for the inability or failure of an ADS holder to obtain the benefit of a foreign tax credit, reduced rate of withholding or refund of amounts withheld in respect of tax or any other tax benefit.

In the deposit agreement, we and the depositary agree to indemnify each other under certain circumstances.

Requirements for Depositary Actions

Before the depositary will deliver or register a transfer of ADSs, make a distribution on ADSs, or permit withdrawal of shares, the depositary may require:

- payment of stock transfer or other taxes or other governmental charges and transfer or registration fees charged by third parties for the transfer of any shares or other deposited securities;
- satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and
- compliance with regulations it may establish, from time to time, consistent with the deposit agreement, including presentation of transfer documents.

The depositary may refuse to deliver ADSs or register transfers of ADSs when the transfer books of the depositary or our transfer books are closed or at any time if the depositary or we think it advisable to do so.

Your Right to Receive the Shares Underlying Your ADSs

ADS holders have the right to cancel their ADSs and withdraw the underlying shares at any time except:

- when temporary delays arise because: (i) the depositary has closed its transfer books or we have closed our transfer books; (ii) the transfer of shares is blocked to permit voting at a shareholders' meeting; or (iii) we are paying a dividend on our shares;
- when you owe money to pay fees, taxes and similar charges; or
- when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of shares or other deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

Direct Registration System

In the deposit agreement, all parties to the deposit agreement acknowledge that the Direct Registration System, also referred to as DRS, and Profile Modification System, also referred to as Profile, will apply to the ADSs. DRS is a system administered by DTC that facilitates interchange between registered holding of uncertificated ADSs and holding of security entitlements in ADSs through DTC and a DTC participant. Profile is a feature of DRS that allows a DTC participant, claiming to act on behalf of a registered holder of uncertificated ADSs, to direct the depositary to register a transfer of those ADSs to DTC or its nominee and to deliver those ADSs to the DTC account of that DTC participant without receipt by the depositary of prior authorization from the ADS holder to register that transfer.

In connection with and in accordance with the arrangements and procedures relating to DRS/Profile, the parties to the deposit agreement understand that the depositary will not determine whether the DTC participant

that is claiming to be acting on behalf of an ADS holder in requesting registration of transfer and delivery as described in the paragraph above has the actual authority to act on behalf of the ADS holder (notwithstanding any requirements under the Uniform Commercial Code). In the deposit agreement, the parties agree that the depositary's reliance on and compliance with instructions received by the depositary through the DRS/Profile system and in accordance with the deposit agreement will not constitute negligence or bad faith on the part of the depositary.

Shareholder Communications; Inspection of Register of Holders of ADSs

The depositary will make available for your inspection at its office all communications that it receives from us as a holder of deposited securities that we make generally available to holders of deposited securities. The depositary will send you copies of those communications or otherwise make those communications available to you if we ask it to. You have a right to inspect the register of holders of ADSs, but only for the purpose of communicating with those holders regarding our business or a matter related to the deposit agreement or the ADSs.

Jury Trial Waiver

The deposit agreement provides that, to the extent permitted by law, ADS holders waive the right to a jury trial of any claim they may have against us or the depositary arising out of or relating to our shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws. If we or the depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable in the facts and circumstances of that case in accordance with applicable case law.

You will not, by agreeing to the terms of the deposit agreement, be deemed to have waived our or the depositary's compliance with U.S. federal securities laws or the rules and regulations promulgated thereunder.

SHARES ELIGIBLE FOR FUTURE SALES

Upon completion of this offering, 5,200,000 ADSs will be outstanding, representing approximately 10.4% of our outstanding ordinary shares, assuming the underwriters do not exercise their over-allotment option to purchase additional ADSs. All of the ADSs sold in this offering will be freely transferable by persons other than by our "affiliates" without restriction or further registration under the Securities Act. Sales of substantial amounts of ADSs in the public market could adversely affect prevailing market prices of the ADSs. Prior to this offering, there has been no public market for our ordinary shares or the ADSs. We intend to apply to list the ADSs on the NASDAQ Global Market, but we cannot assure you that a regular trading market will develop in the ADSs. We do not expect that a trading market will develop for our ordinary shares not represented by ADSs.

Lock-up Agreements

We have agreed not to, for a period of 180 days after the date of this prospectus, offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale, lend or otherwise dispose of, except in this offering, any of our ordinary shares or ADSs or securities that are substantially similar to our ordinary shares or ADSs, including but not limited to any options or warrants to purchase our ordinary shares, ADSs or any securities that are convertible into or exchangeable for, or that represent the right to receive, our ordinary shares, ADSs or any such substantially similar securities, subject to certain exceptions, without the prior written consent of the underwriters.

Furthermore, each of our directors, executive officers and existing shareholders has also entered into a similar lock-up agreement for a period of 180 days from the date of this prospectus, subject to certain exceptions, with respect to our ordinary shares, ADSs and securities that are substantially similar to our ordinary shares or ADSs. These parties collectively own all of our outstanding ordinary shares, without giving effect to this offering.

The restrictions described in the preceding paragraphs will be automatically extended under certain circumstances. See "Underwriting."

Other than this offering, we are not aware of any plans by any significant shareholders to dispose of significant numbers of ADSs or ordinary shares. However, one or more existing shareholders or owners of securities convertible or exchangeable into or exercisable for ADSs or ordinary shares may dispose of significant numbers of ADSs or ordinary shares in the future. We cannot predict what effect, if any, future sales of ADSs or ordinary shares, or the availability of ADSs or ordinary shares for future sale, will have on the trading price of the ADSs from time to time. Sales of substantial amounts of ADSs or ordinary shares in the public market, or the perception that these sales could occur, could adversely affect the trading price of the ADSs.

Rule 144

In general, beginning 90 days after the date of this prospectus, a person (or persons whose shares are aggregated) who at the time of a sale is not, and has not been during the three months preceding the sale, an affiliate of ours and has beneficially owned our restricted securities for at least six months will be entitled to sell the restricted securities without registration under the Securities Act, subject only to the availability of current public information about us, and will be entitled to sell restricted securities beneficially owned for at least one year without restriction. Persons who are our affiliates and have beneficially owned our restricted securities for at least six months may sell a number of restricted securities within any three-month period that does not exceed the greater of the following:

- 1% of the then outstanding ordinary shares of the same class, in the form of ADSs or otherwise, which immediately after this offering will equal 14,988,608 ordinary shares, assuming the underwriters do not exercise their over-allotment option; or

- the average weekly trading volume of our ordinary shares of the same class, in the form of ADSs or otherwise, during the four calendar weeks preceding the date on which notice of the sale is filed with the SEC.

Sales by our affiliates under Rule 144 are also subject to certain requirements relating to manner of sale, notice and the availability of current public information about us.

Rule 701

In general, under Rule 701 of the Securities Act as currently in effect, each of our employees, consultants or advisors who purchases our ordinary shares from us in connection with a compensatory stock plan or other written agreement executed prior to the completion of this offering is eligible to resell those ordinary shares in reliance on Rule 144, but without compliance with some of the restrictions, including the holding period, contained in Rule 144. However, the Rule 701 shares would remain subject to lock-up arrangements and would only become eligible for sale when the lock-up period expires.

TAXATION

The following summary of the material Cayman Islands, PRC and U.S. federal income tax consequences of an investment in ADSs or Class A ordinary shares is based upon laws and relevant interpretations thereof in effect as of the date of this registration statement, all of which are subject to change. This summary does not deal with all possible tax consequences relating to an investment in ADSs or Class A ordinary shares, such as the tax consequences under U.S. state and local tax laws or under the tax laws of jurisdictions other than the Cayman Islands, the People's Republic of China and the United States.

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, after execution, brought within the jurisdiction of the Cayman Islands. The Cayman Islands is a party to a double tax treaty with the United Kingdom, but otherwise is not a party to any double tax treaties. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of the shares of our company will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of the shares, nor will gains derived from the disposal of the shares be subject to Cayman Islands income or corporation tax.

No stamp duty is payable in respect of the issue of the shares or on an instrument of transfer in respect of a share of our company.

People's Republic of China Taxation

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

We do not believe that Q&K International Group Limited meets all of the conditions above. Q&K International Group Limited is a company incorporated outside the PRC. As a holding company, its key assets are its ownership interests in its subsidiaries, and its key assets are located, and its records (including the resolutions of its board of directors and the resolutions of its shareholders) are maintained, outside the PRC. For

the same reasons, we believe our other entities outside of China are not PRC resident enterprises either. However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." There can be no assurance that the PRC government will ultimately take a view that is consistent with ours.

However, if the PRC tax authorities determine that Q&K International Group Limited is a PRC resident enterprise for enterprise income tax purposes, we may be required to withhold a 10% withholding tax from dividends we pay to our shareholders that are non-resident enterprises, including the holders of our ADSs. Such 10% tax rate could be reduced by applicable tax treaties or similar arrangements between China and the jurisdiction of our shareholders. For example, for shareholders eligible for the benefits of the tax treaty between China and Hong Kong, the tax rate is reduced to 5% for dividends if relevant conditions are met. In addition, non-resident enterprise shareholders (including our ADS holders) may be subject to a 10% PRC tax on gains realized on the sale or other disposition of ADSs or Class A ordinary shares, if such income is treated as sourced from within the PRC. It is unclear whether our non-PRC individual shareholders (including our ADS holders) would be subject to any PRC tax on dividends or gains obtained by such non-PRC individual shareholders in the event we are determined to be a PRC resident enterprise. If any PRC tax were to apply to such dividends or gains, it would generally apply at a rate of 20% unless a reduced rate is available under an applicable tax treaty. However, it is also unclear whether non-PRC shareholders of Q&K International Group Limited would be able to claim the benefits of any tax treaties between their country of tax residence and the PRC in the event that Q&K International Group Limited is treated as a PRC resident enterprise.

Provided that our Cayman Islands holding company, Q&K International Group Limited, is not deemed to be a PRC resident enterprise, holders of our ADSs and Class A ordinary shares who are not PRC residents will not be subject to PRC income tax on dividends distributed by us or gains realized from the sale or other disposition of our shares or ADSs. However, under Circular 7, where a non-resident enterprise conducts an "indirect transfer" by transferring taxable assets, including, in particular, equity interests in a PRC resident enterprise, indirectly by disposing of the equity interests of an overseas holding company, the non-resident enterprise, being the transferor, or the transferee or the PRC entity which directly owned such taxable assets may report to the relevant tax authority such indirect transfer. Using a "substance over form" principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax, and the transferee would be obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise. We and our non-PRC resident investors may be at risk of being required to file a return and being taxed under Circular 7, and we may be required to expend valuable resources to comply with Bulletin 37, or to establish that we should not be taxed under Circular 7 and Bulletin 37. See "Risk Factors—Risks Related to Doing Business in China—We and our shareholders face uncertainties with respect to indirect transfers of equity interests in PRC resident enterprises or other assets attributed to a Chinese establishment of a non-Chinese company, or immovable properties located in China owned by non-Chinese companies."

United States Federal Income Tax Considerations

The following is a summary of material U.S. federal income tax considerations that are likely to be relevant to the purchase, ownership and disposition of our Class A ordinary shares or ADSs by a U.S. Holder (as defined below).

This summary is based on provisions of the Internal Revenue Code of 1986, as amended, or the Code, and regulations, rulings and judicial interpretations thereof, in force as of the date hereof. Those authorities may be changed at any time, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those summarized below.

This summary is not a comprehensive discussion of all of the tax considerations that may be relevant to a particular investor's decision to purchase, hold, or dispose of Class A ordinary shares or ADSs. In particular, this

summary is directed only to U.S. Holders that hold Class A ordinary shares or ADSs as capital assets and does not address all of the tax consequences to U.S. Holders who may be subject to special tax rules, such as banks, brokers or dealers in securities or currencies, traders in securities electing to mark to market, financial institutions, insurance companies, tax exempt entities, partnerships (including any entities treated as partnerships for U.S. federal income tax purposes) and the partners therein, holders that own or are treated as owning 10% or more of our shares (measured by vote or value), persons holding Class A ordinary shares or ADSs as part of a hedging or conversion transaction or a straddle, or persons whose functional currency is not the U.S. dollar. Moreover, this summary does not address state, local or non-U.S. taxes, the U.S. federal estate and gift taxes, or the Medicare contribution tax applicable to net investment income of certain non-corporate U.S. Holders, or alternative minimum tax consequences of acquiring, holding or disposing of Class A ordinary shares or ADSs.

For purposes of this summary, a "U.S. Holder" is a beneficial owner of Class A ordinary shares or ADSs that is a citizen or resident of the United States or a U.S. domestic corporation or that otherwise is subject to U.S. federal income taxation on a net income basis in respect of such Class A ordinary shares or ADSs.

You should consult your own tax advisors about the consequences of the acquisition, ownership and disposition of the Class A ordinary shares or ADSs, including the relevance to your particular situation of the considerations discussed below and any consequences arising under non-U.S., state, local or other tax laws.

ADSs

In general, if you are a U.S. Holder of ADSs, you will be treated, for U.S. federal income tax purposes, as the beneficial owner of the underlying Class A ordinary shares that are represented by those ADSs.

Taxation of Dividends

Subject to the discussion below under "Passive Foreign Investment Company Rules," the gross amount of any distribution of cash or property with respect to our Class A ordinary shares or ADSs (including amounts, if any, withheld in respect of PRC taxes) that is paid out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) will generally be includible in your taxable income as ordinary dividend income on the day on which you receive the dividend, in the case of Class A ordinary shares, or the date the depositary receives the dividends, in the case of ADSs, and will not be eligible for the dividends-received deduction allowed to U.S. corporations under the Code.

We do not expect to maintain calculations of our earnings and profits in accordance with U.S. federal income tax principles. U.S. Holders therefore should expect that distributions generally will be treated as dividends for U.S. federal income tax purposes.

Subject to certain exceptions for short-term and hedged positions, the dividends received by a non-corporate U.S. Holder with respect to the Class A ordinary shares or ADSs will be subject to taxation at a preferential rate if the dividends are "qualified dividends." Dividends paid on the Class A ordinary shares or ADSs will be treated as qualified dividends if:

- the Class A ordinary shares or ADSs on which the dividend is paid are readily tradable on an established securities market in the United States or we are eligible for the benefits of a comprehensive tax treaty with the United States that the U.S. Treasury determines is satisfactory for purposes of these rules and that includes an exchange of information program; and
- we were not, in the year prior to the year in which the dividend was paid, and are not, in the year in which the dividend is paid, a PFIC.

We have applied to list the ADSs on the NASDAQ Global Market, and the ADSs will qualify as readily tradable on an established securities market in the United States so long as they are so listed. Based on our

audited financial statements, the manner in which we conduct our business and the relevant market data, we do not believe we were a PFIC for U.S. federal income tax purposes with respect to our prior taxable year. In addition, based on our audited financial statements, the manner in which we conduct our business, relevant market data and our current expectations regarding the value and nature of our assets and the sources and nature of our income, we do not anticipate becoming a PFIC for our current taxable year or in the foreseeable future. We could be treated as a PFIC, however, if our rental income in any particular taxable year is not treated as "active" rental income for U.S. federal income tax purposes, as discussed below under "Passive Foreign Investment Company Rules."

Because the Class A ordinary shares are not themselves listed on a U.S. exchange, dividends received with respect to the Class A ordinary shares that are not represented by ADSs may not be treated as qualified dividends. U.S. Holders of Class A ordinary shares or ADSs should consult their own tax advisors regarding the potential availability of the reduced dividend tax rate in light of their own particular circumstances.

In the event that we are deemed to be a PRC-resident enterprise under the PRC Enterprise Income Tax Law (see "Taxation—People's Republic of China Taxation"), a U.S. Holder may be subject to PRC withholding taxes on dividends paid on our ADSs or Class A ordinary shares. In that case, we may, however, be eligible for the benefits of the Agreement Between the Government of the United States of America and the Government of the People's Republic of China for the Avoidance of Double Taxation and the Prevention of Tax Evasion with Respect to Taxes on Income, or the Treaty. If we are eligible for such benefits, dividends we pay on our Class A ordinary shares, regardless of whether such shares are represented by the ADSs, would be eligible for the reduced rates of taxation described above. Dividend distributions with respect to our Class A ordinary shares or ADSs generally will be treated as "passive category" income from sources outside the United States for purposes of determining a U.S. Holder's U.S. foreign tax credit limitation. Subject to the limitations and conditions provided in the Code and the applicable U.S. Treasury Regulations, a U.S. Holder may be able to claim a foreign tax credit against its U.S. federal income tax liability in respect of any PRC income taxes withheld at the appropriate rate applicable to the U.S. Holder from a dividend paid to such U.S. Holder. Alternatively, the U.S. Holder may deduct such PRC income taxes from its U.S. federal taxable income, provided that the U.S. Holder elects to deduct rather than credit all foreign income taxes for the relevant taxable year. The rules with respect to foreign tax credits are complex and involve the application of rules that depend on a U.S. Holder's particular circumstances. Accordingly, U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit or the deductibility of foreign taxes under their particular circumstances.

U.S. Holders that receive distributions of additional ADSs or Class A ordinary shares or rights to subscribe for ADSs or Class A ordinary shares as part of a pro rata distribution to all our shareholders generally will not be subject to U.S. federal income tax in respect of the distributions.

Taxation of Dispositions of ADSs or Class A Ordinary Shares

Subject to the discussion below under "Passive Foreign Investment Company Rules," upon a sale, exchange or other taxable disposition of the ADSs or Class A ordinary shares, U.S. Holders will realize gain or loss for U.S. federal income tax purposes in the amount equal to the different between the amount realized on the disposition and the U.S. Holder's adjusted tax basis in the ADSs or Class A ordinary shares. Such gain or loss will be capital gain or loss and generally will be long-term capital gain or loss if the ADS or Class A ordinary shares have been held for more than one year. Long-term capital gain realized by a non-corporate U.S. Holder generally is subject to taxation at a preferential rate. The deductibility of capital losses is subject to limitations.

Gain, if any, realized by a U.S. Holder on the sale or other disposition of the ADSs or Class A ordinary shares generally will be treated as U.S.-source income for U.S. foreign tax credit purposes. Consequently, if a PRC tax is imposed on the sale or other disposition, a U.S. Holder that does not receive significant foreign-source income from other sources may not be able to derive effective U.S. foreign tax credit benefits in respect of such PRC tax. However, in the event that gain from the disposition of the ADSs or Class A ordinary shares is subject

to tax in the PRC, and a U.S. Holder is eligible for the benefits of the Treaty, such U.S. Holder may elect to treat such gain as PRC-source gain under the Treaty. U.S. Holders should consult their own tax advisors regarding the application of the foreign tax credit rules to their investment in, and disposition of, the ADSs or Class A ordinary shares.

Deposits and withdrawals of Class A ordinary shares by U.S. Holders in exchange for ADSs will not result in the realization of gain or loss for U.S. federal income tax purposes.

Passive Foreign Investment Company Rules

Special U.S. tax rules apply to companies that are considered to be PFICs. We will be classified as a PFIC in a particular taxable year if either

- 75 percent or more of our gross income for the taxable year is passive income; or
- the average percentage of the value of our assets that produce or are held for the production of passive income is at least 50 percent, or the asset test.

For this purpose, passive income generally includes dividends, interest, royalties and rents (other than royalties and rents derived in the active conduct of a trade or business and not derived from a related person). If we own at least 25% (by value) of the stock of another corporation, for purposes of determining whether we are a PFIC, we will be treated as owning our proportionate share of the other corporation's assets and receiving our proportionate share of the other corporation's income. Although the law in this regard is not entirely clear, we treat our VIE as being owned by us for U.S. federal income tax purposes because we control its management decisions and are entitled to substantially all of the economic benefits associated with it. Based on our audited financial statements, the manner in which we conduct our business, relevant market data and our current expectations regarding the value and nature of our assets and the sources and nature of our income, we do not believe that we were a PFIC in our taxable year ending September 30, 2019, and we do not anticipate becoming a PFIC for our current taxable year or in the foreseeable future. However, because the PFIC tests must be applied each year, and the composition of our income and assets and the value of our assets may change, and because the treatment of our VIE for U.S. federal income tax purposes is not entirely clear, it is possible that we may become a PFIC in the current or a future year. In particular, because the value of our assets for purposes of the asset test may be determined by reference to the market price of our ADSs, fluctuations in the market price of our ADSs may cause us to become a PFIC for the current or subsequent taxable years. In addition, the treatment of our rental income as active for purposes of these tests depends upon whether we conduct sufficient marketing or other activities with respect to the rented properties in each taxable year to meet the requirements for an active rental business under applicable Treasury regulations, which may be uncertain. The determination of whether we are a PFIC also may be affected by how, and how quickly, we use our liquid assets and the cash raised in this offering. If we do not deploy significant amounts of cash for active purposes, our risk of being a PFIC may substantially increase.

In the event that we are classified as a PFIC in any year during which a U.S. Holder holds our Class A ordinary shares or ADSs and such U.S. Holder does not make a mark-to-market election, as described in the following paragraph, the U.S. Holder will be subject to a special tax at ordinary income tax rates on "excess distributions," including certain distributions by us (generally, distributions that are greater than 125% of the average annual distributions received during the shorter of the three preceding taxable years or the U.S. Holder's holding period for the Class A ordinary shares or ADSs) and gain that the U.S. Holder recognizes on the sale of our Class A ordinary shares or ADSs. The amount of income tax on any excess distributions will be increased by an interest charge to compensate for tax deferral, calculated as if the excess distributions were earned ratably over the period that the U.S. Holder holds its Class A ordinary shares or ADSs. Further, if we are a PFIC for any year during which a U.S. Holder holds our Class A ordinary shares or ADSs, we generally will continue to be treated as a PFIC for all subsequent years during which such U.S. Holder holds our Class A ordinary shares or ADSs unless we cease to be a PFIC and the U.S. Holder makes a special "purging" election on Internal Revenue

Service ("IRS") Form 8621. Classification as a PFIC may also have other adverse tax consequences, including, in the case of individuals, the denial of a step-up in the basis of his or her Class A ordinary shares or ADSs at death.

A U.S. Holder may be able to avoid the unfavorable rules described in the preceding paragraph by electing to mark its ADSs to market, provided the ADSs are treated as "marketable stock." The ADSs generally will be treated as marketable stock if the ADSs are "regularly traded" on a "qualified exchange or other market" (which includes the NASDAQ Global Market). It should also be noted that it is intended that only the ADSs and not the Class A ordinary shares will be listed on the NASDAQ Global Market. Consequently, a U.S. Holder that holds Class A ordinary shares that are not represented by ADSs may not be eligible to make a mark-to-market election. If the U.S. Holder makes a mark-to-market election, (i) the U.S. Holder will be required in any year in which we are a PFIC to include as ordinary income the excess of the fair market value of its ADSs at year-end over the U.S. Holder's basis in those ADSs and (ii) the U.S. Holder will be entitled to deduct as an ordinary loss in each such year the excess of the U.S. Holder's basis in its ADSs over their fair market value at year-end, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. A U.S. Holder's adjusted tax basis in its ADSs will be increased by the amount of any income inclusion and decreased by the amount of any deductions under the mark-to-market rules. In addition, any gain the U.S. Holder recognizes upon the sale of the U.S. Holder's ADSs in a year in which we are PFIC will be taxed as ordinary income in the year of sale, and any loss the U.S. Holder recognizes upon the sale will be treated as ordinary loss, but only to the extent of the net amount of previously included income as a result of the mark-to-mark election.

A U.S. Holder that owns an equity interest in a PFIC must annually file IRS Form 8621. A failure to file one or more of these forms as required may toll the running of the statute of limitations in respect of each of the U.S. Holder's taxable years for which such form is required to be filed. As a result, the taxable years with respect to which the U.S. Holder fails to file the form may remain open to assessment by the IRS indefinitely, until the form is filed.

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 is also a PFIC, such U.S. Holder will be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of the PFIC rules. U.S. Holders should consult their own tax advisors about the possible application of the PFIC rules to any of our subsidiaries.

U.S. Holders should consult their own tax advisors regarding the U.S. federal income tax considerations discussed above and the desirability of making a mark-to-market election.

Foreign Financial Asset Reporting

Certain U.S. Holders who are individuals that own "specified foreign financial assets" with an aggregate value in excess of US$50,000 are generally required to file an information statement along with their tax returns, currently on IRS Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer (which would include the Class A ordinary shares and the ADSs) that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. U.S. Holders that fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. Prospective investors should consult their own tax advisors concerning the application of these rules to their investment in the Class A ordinary shares or the ADSs, including the application of the rules to their particular circumstances.

Backup Withholding and Information Reporting

Dividends paid on, and proceeds from the sale or other disposition of, the ADSs or Class A ordinary shares that are paid to a U.S. Holder generally may be subject to the information reporting requirements of the Code and

may be subject to backup withholding unless the U.S. Holder provides an accurate taxpayer identification number and makes any other required certification or otherwise establishes an exemption. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a refund or credit against the U.S. Holder's U.S. federal income tax liability, provided the required information is furnished to the IRS in a timely manner.

A holder that is a foreign corporation or a non-resident alien individual may be required to comply with certification and identification procedures in order to establish its exemption from information reporting and backup withholding.

UNDERWRITING

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC and China International Capital Corporation Hong Kong Securities Limited are acting as representatives, have severally agreed to purchase, and we have agreed to sell to ADSs indicated below:

Name	Number of ADSs
Morgan Stanley & Co. LLC	
China International Capital Corporation Hong Kong Securities Limited	
Prime Number Capital, LLC	
China Everbright Securities (HK) Limited	
Tiger Brokers(NZ) Limited	
China Securities (International) Corporate Finance Company Limited	
Total:	5,200,000

The underwriters and the representatives are collectively referred to as the “underwriters” and “representatives,” respectively. The underwriters are offering the ADSs subject to their acceptance of the ADSs from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the ADSs offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the ADSs offered by this prospectus if any such ADSs are taken. However, the underwriters are not required to take or pay for the ADSs covered by the underwriter’s over-allotment option described below.

The underwriters initially propose to offer part of the ADSs directly to the public at the offering price listed on the cover page of this prospectus and part to certain dealers at a price that represents a concession not in excess of per ADS under the initial public offering price. After the initial offering of the ADSs, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to an additional 780,000 ADSs at the public offering price listed on the cover page of this prospectus, less underwriting discounts and commissions. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, made in connection with the offering of the ADSs offered by this prospectus. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional ADSs as the number listed next to the underwriter’s name in the preceding table bears to the total number of ADSs listed next to the names of all underwriters in the preceding table.

Our existing shareholders have indicated an interest that they or their affiliates may purchase an aggregate of up to US$45.0 million worth of the ADSs being offered in this offering at the initial public offering price and on the same terms as the other ADSs being offered in this offering. Specifically, Crescent Capital Investments Ltd., Newsion One Inc. and Newsion Two Inc., and Youzhen Inc. have indicated an interest in purchasing in this offering up to US$30.0 million, US$10.0 million and US$5.0 million worth of the ADSs, respectively. Assuming an initial public offering price of US$18.00 per ADS, which is the mid-point of the estimated offering price range, the number of ADSs to be purchased by our existing shareholders or their affiliates would be up to 2,500,000 ADSs. However, because these indications of interest are not binding agreements or commitments to purchase, we and the underwriters could determine to sell more, fewer or no ADSs to any of these potential purchasers, and any of these potential purchasers could determine to purchase more, fewer or no ADSs in this offering. The number of ADSs available for sale to the general public will be reduced to the extent that these

existing shareholders purchase the ADSs. The underwriters will receive the same underwriting discounts and commissions on any ADSs purchased by these parties as they will on any other ADSs sold to the public in this offering.

The following table shows the per ADS and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional 780,000 ADSs.

	Per ADS	Total	
		No Exercise	Full Exercise
Public offering price	US$	US$	US$
Underwriting discounts and commissions to be paid by us:	US$	US$	US$
Proceeds, before expenses, to us	US$	US$	US$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately US$4.4 million. We have also agreed to reimburse the underwriters for certain of their expenses in an amount up to US$.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of ADSs offered by them.

Some of the underwriters are expected to make offers and sales both inside and outside the United States through their respective selling agents. Any offers or sales in the United States will be conducted by broker-dealers registered with the SEC. China International Capital Corporation Hong Kong Securities Limited is not a broker-dealer registered with the SEC and, to the extent that its conduct may be deemed to involve participation in offers or sales of ADSs in the United States, those offers or sales will be made through one or more SEC-registered broker-dealers in compliance with applicable laws and regulations. China Everbright Securities (HK) Limited, Tiger Brokers(NZ) Limited and China Securities (International) Corporate Finance Company Limited are not broker-dealers registered with the SEC and may not make sales in the United States or to U.S. persons. Each of China Everbright Securities (HK) Limited, Tiger Brokers(NZ) Limited and China Securities (International) Corporate Finance Company Limited has agreed that it does not intend to and will not offer or sell any of our ADSs in the United States or to U.S. persons in connection with this offering.

We intend to apply for the listing of the ADSs on the NASDAQ Global Market under the trading symbol "QK."

We, all directors and officers and all existing shareholders have agreed that, without the prior written consent of the representatives on behalf of the underwriters, we and they will not, during the period ending 180 days after the date of this prospectus, or the restricted period:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any ordinary shares, ADSs or any securities convertible into or exercisable or exchangeable for ordinary shares or ADSs;
- file any registration statement with the Securities and Exchange Commission relating to the offering of any ordinary shares, ADSs or any securities convertible into or exercisable or exchangeable for ordinary shares or ADSs; or
- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of ordinary shares or ADSs,

whether any such transaction described above is to be settled by delivery of ordinary shares, ADSs or such other securities, in cash or otherwise. In addition, we and each such person agrees that, without the prior written consent of the representatives on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any ordinary shares, ADSs or any security convertible into or exercisable or exchangeable for ordinary shares or ADSs.

The restrictions described in the preceding paragraph are subject to certain exceptions.

In addition, we will request The Bank of New York Mellon, as depositary, not to accept any deposit of any ordinary shares or deliver any ADSs until after 180 days following the date of this prospectus unless we consent to such deposit or issuance. We will not provide such consent without the prior written consent of the representatives. The foregoing does not affect the right of ADS holders to cancel their ADSs and withdraw the underlying Class A ordinary shares.

The representatives, in their sole discretion, may release the ordinary shares, ADSs and other securities subject to the lock-up agreements described above in whole or in part at any time.

In order to facilitate the offering of the ADSs, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the ADSs. Specifically, the underwriters may sell more ADSs than they are obligated to purchase under the underwriting agreement, creating a short position. A short sale is covered if the short position is no greater than the number of ADSs available for purchase by the underwriters under the over-allotment option. The underwriters can close out a covered short sale by exercising the over-allotment option or purchasing ADSs in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the over-allotment option. The underwriters may also sell ADSs in excess of the over-allotment option, creating a naked short position. The underwriters must close out any naked short position by purchasing ADSs in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the ADSs in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, ADSs in the open market to stabilize the price of the ADSs. Finally, the underwriters may reclaim selling concessions allowed to an underwriter or a dealer for distributing the ADSs in this offering, if the syndicate repurchases previously distributed ADSs to cover syndicate’s short positions or to stabilize the price of the ADSs. These activities may raise or maintain the market price of the ADSs above independent market levels or prevent or retard a decline in the market price of the ADSs. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of ADSs to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to the underwriters that may make Internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

The address of Morgan Stanley & Co. LLC is 1585 Broadway Avenue, New York, NY 10036, United States. The address of China International Capital Corporation Hong Kong Securities Limited is 29/F, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong.

Pricing of the Offering

Prior to this offering, there has been no public market for our ordinary shares or the ADSs. The initial public offering price was determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price were our future prospects and those of our industry in general, our sales, earnings and certain other financial and operating information in recent periods, and the price-earnings ratios, price-sales ratios, market prices of securities, and certain financial and operating information of companies engaged in activities similar to ours.

Selling Restrictions

No action may be taken in any jurisdiction other than the United States that would permit a public offering of the ADSs or the possession, circulation or distribution of this prospectus in any jurisdiction where action for that purpose is required. Accordingly, the ADSs may not be offered or sold, directly or indirectly, and neither the prospectus nor any other offering material or advertisements in connection with the ADSs may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable laws, rules and regulations of any such country or jurisdiction.

Australia

This document has not been lodged with the Australian Securities & Investments Commission and is only directed to certain categories of exempt persons. Accordingly, if you receive this document in Australia:

(a) you confirm and warrant that you are either:

(i) “sophisticated investor” under section 708(8)(a) or (b) of the Corporations Act 2001 (Cth) of Australia, or the Corporations Act;

(ii) “sophisticated investor” under section 708(8)(c) or (d) of the Corporations Act and that you have provided an accountant’s certificate to the company which complies with the requirements of section 708(8)(c)(i) or (ii) of the Corporations Act and related regulations before the offer has been made;

(iii) person associated with the company under section 708(12) of the Corporations Act; or

(iv) “professional investor” within the meaning of section 708(11)(a) or (b) of the Corporations Act;

and to the extent that you are unable to confirm or warrant that you are an exempt sophisticated investor, associated person or professional investor under the Corporations Act, any offer made to you under this document is void and incapable of acceptance;

(b) you warrant and agree that you will not offer any of the ADSs issued to you pursuant to this document for resale in Australia within 12 months of those ADSs being issued unless any such resale offer is exempt from the requirement to issue a disclosure document under section 708 of the Corporations Act.

Canada

The ADSs may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the ADSs must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts or NI 33-105, the underwriter is not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Cayman Islands

This prospectus does not constitute an invitation or offer to the public in the Cayman Islands of the ADSs, whether by way of sale or subscription. The underwriters have not offered or sold, and will not offer or sell, directly or indirectly, any ADSs in the Cayman Islands.

Dubai International Finance Center

This document relates to an Exempt Offer, as defined in the Offered Securities Rules module of the DFSA Rulebook, or the OSR, in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. This document is intended for distribution only to Persons, as defined in the OSR, of a type specified in those rules. It must not be delivered to, or relied on by, any other Person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The Dubai Financial Services Authority has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. The ADSs to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the ADSs offered should conduct their own due diligence on the ADSs. If you do not understand the contents of this document you should consult an authorized financial adviser.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") an offer to the public of any shares which are the subject of the offering contemplated by this prospectus may not be made in that Relevant Member State unless the prospectus has been approved by the competent authority in such Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that an offer to the public in that Relevant Member State of any

shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43,000,000 and (iii) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- by the underwriters to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive; provided that no such offer of shares shall result in a requirement for the publication by us or any representative of a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Any person making or intending to make any offer of shares within the EEA should only do so in circumstances in which no obligation arises for us or any of the underwriters to produce a prospectus for such offer. Neither we nor the underwriters have authorized, nor do they authorize, the making of any offer of shares through any financial intermediary, other than offers made by the underwriters which constitute the final offering of shares contemplated in this prospectus.

For the purposes of this provision, and your representation below, the expression an "offer to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase any shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any shares under, the offer of shares contemplated by this prospectus will be deemed to have represented, warranted and agreed to and with us and each underwriter that:

- it is a "qualified investor" within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and
- in the case of any shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the shares acquired by it in the offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than "qualified investors" (as defined in the Prospectus Directive), or in circumstances in which the prior consent of the representative has been given to the offer or resale; or (ii) where shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those shares to it is not treated under the Prospectus Directive as having been made to such persons.

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or

the Order, and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will be engaged in with, relevant persons.

Hong Kong

The ADSs may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the ADSs may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to ADSs which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder.

Japan

The ADSs have not been and will not be registered under the Financial Instruments and Exchange Law of Japan, and ADSs will not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to any exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

Korea

The ADSs may not be offered, sold and delivered directly or indirectly, or offered or sold to any person for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the Korea Securities and Exchange Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder. The ADSs have not been registered with the Financial Services Commission of Korea for public offering in Korea. Furthermore, the ADSs may not be resold to Korean residents unless the purchaser of the ADSs complies with all applicable regulatory requirements (including but not limited to government approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with the purchase of the ADSs.

Kuwait

Unless all necessary approvals from the Kuwait Ministry of Commerce and Industry required by Law No. 31/1990 "Regulating the Negotiation of Securities and Establishment of Investment Funds," its Executive Regulations and the various Ministerial Orders issued pursuant thereto or in connection therewith, have been given in relation to the marketing and sale of the ADSs, these may not be marketed, offered for sale, nor sold in the State of Kuwait. Neither this prospectus (including any related document), nor any of the information contained therein is intended to lead to the conclusion of any contract of whatsoever nature within Kuwait.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the securities has been or will be registered with the Securities Commission of Malaysia, or Commission, for the Commission's approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the securities may not be circulated or distributed, nor may the securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services License; (iii) a person who acquires the securities as principal, if the offer is on terms that the securities may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding 12 months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding 12 months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the securities is made by a holder of a Capital Markets Services License who carries on the business of dealing in securities. The distribution in Malaysia of this prospectus is subject to Malaysian laws. This prospectus does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mexico

None of the ADSs or the ordinary shares have been or will be registered with the National Securities Registry (Registro Nacional de Valores) maintained by the Mexican National Banking and Securities Commission (Comisión Nacional Bancaria y de Valores) of Mexico and, as a result, may not be offered or sold publicly in Mexico. The ADSs and the ordinary shares may only be sold to Mexican institutional and qualified investors, pursuant to the private placement exemption set forth in the Mexican Securities Market Law (Ley del Mercado de Valores).

People's Republic of China

This prospectus has not been and will not be circulated or distributed in the PRC, and ADSs may not be offered or sold, and will not be offered or sold to any person for re-offering or resale, directly or indirectly, to any resident of the PRC except pursuant to applicable laws and regulations of the PRC.

Qatar

In the State of Qatar, the offer contained herein is made on an exclusive basis to the specifically intended recipient thereof, upon that person's request and initiative, for personal use only and shall in no way be construed as a general offer for the sale of securities to the public or an attempt to do business as a bank, an investment company or otherwise in the State of Qatar. This prospectus and the underlying securities have not been approved or licensed by the Qatar Central Bank or the Qatar Financial Centre Regulatory Authority or any other regulator in the State of Qatar. The information contained in this prospectus shall only be shared with any third parties in Qatar on a need to know basis for the purpose of evaluating the contained offer. Any distribution of this prospectus by the recipient to third parties in Qatar beyond the terms hereof is not permitted and shall be at the liability of such recipient.

Saudi Arabia

This prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority. The Capital Market Authority does not make any representation as to the accuracy or completeness of this prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this prospectus. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this prospectus you should consult an authorized financial adviser.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of our ADSs may not be circulated or distributed, nor may our ADSs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or SFA, (ii) to a relevant person or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Where ADSs are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor as defined in Section 4A of the SFA) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor; shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the ADSs under Section 275 of the SFA, except: (1) to an institutional investor (for corporations under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

Switzerland

The ADSs will not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or SIX, or on any other stock exchange or regulated trading facility in Switzerland. This prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland.

Neither this prospectus nor any other offering or marketing material relating to our company or the ADSs have been or will be filed with or approved by any Swiss regulatory authority. In particular, this prospectus will not be filed with, and the offer of the ADSs will not be supervised by, the Swiss Financial Market Supervisory Authority, and the offer of the ADSs has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes, or the CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the ADSs.

Taiwan

The ADSs have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that require a registration, filing or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer or sell the ADSs in Taiwan.

United Arab Emirates

This prospectus is not intended to constitute an offer, sale or delivery of shares or other securities under the laws of the United Arab Emirates, or the UAE. The ADSs have not been and will not be registered under Federal Law No. 4 of 2000 Concerning the Emirates Securities and Commodities Authority and the Emirates Security and Commodity Exchange, or with the UAE Central Bank, the Dubai Financial Market, the Abu Dhabi Securities Market or with any other UAE exchange.

The offering, the ADSs and interests therein have not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities in the UAE, and do not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise.

In relation to its use in the UAE, this prospectus is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the ADSs may not be offered or sold directly or indirectly to the public in the UAE.

United Kingdom

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, or the FSMA, received by it in connection with the issue or sale of the ADSs in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the ADSs in, from or otherwise involving the United Kingdom.

EXPENSES RELATED TO THIS OFFERING

Set forth below is an itemization of the total expenses, excluding underwriting discounts and commissions, that we expect to incur in connection with this offering. With the exception of the SEC registration fee, the Financial Industry Regulatory Authority, or FINRA, filing fee, and the NASDAQ market entry and listing fee, all amounts are estimates.

SEC Registration Fee	US$ 14,748
FINRA Filing Fee	17,543
NASDAQ Market Entry and Listing Fee	150,000
Printing and Engraving Expenses	200,000
Legal Fees and Expenses	2,462,500
Accounting Fees and Expenses	870,462
Miscellaneous	670,801
Total	**US$4,386,054**

LEGAL MATTERS

We are being represented by Cleary Gottlieb Steen & Hamilton LLP with respect to certain legal matters as to United States federal securities and New York State law. The underwriters are being represented by Simpson Thacher & Bartlett LLP with respect to certain legal matters as to United States federal securities and New York State law. The validity of the Class A ordinary shares represented by the ADSs offered in this offering and certain other legal matters as to Cayman Islands law will be passed upon for us by Conyers Dill & Pearman. Certain legal matters as to PRC law will be passed upon for us by JunHe LLP and for the underwriters by Zhong Lun Law Firm. Cleary Gottlieb Steen & Hamilton LLP may rely upon Conyers Dill & Pearman with respect to matters governed by Cayman Islands law and JunHe LLP with respect to matters governed by PRC law. Simpson Thacher & Bartlett LLP may rely upon Zhong Lun Law Firm with respect to matters governed by PRC law.

EXPERTS

The consolidated financial statements of Q&K International Group Limited as of September 30, 2017 and 2018, and for each of the two years in the period ended September 30, 2018 included in this prospectus, have been audited by Deloitte Touche Tohmatsu Certified Public Accountants LLP, an independent registered public accounting firm, as stated in their report appearing herein (which report expresses an unqualified opinion on the financial statements and includes an explanatory paragraph referring to the translation of Renminbi amounts to United States dollar amounts). Such financial statements have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

The office of Deloitte Touche Tohmatsu Certified Public Accountants LLP is located at 30th Floor, Bund Center, 222 Yan An Road East, Shanghai, People’s Republic of China.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed a registration statement, including relevant exhibits, with the SEC on Form F-1 under the Securities Act with respect to the underlying Class A ordinary shares represented by the ADSs to be sold in this offering. We have also filed a related registration statement on Form F-6 with the SEC to register the ADSs. This prospectus, which constitutes a part of the registration statement on Form F-1, does not contain all of the information contained in the registration statement. You should read our registration statements and their exhibits and schedules for further information with respect to us and our ADSs.

Immediately upon the effectiveness of the registration statement on Form F-1 of which this prospectus forms a part, we will become subject to periodic reporting and other informational requirements of the Exchange Act as applicable to foreign private issuers. Accordingly, we will be required to file reports, including annual reports on Form 20-F, and other information with the SEC. All information filed with the SEC can be obtained over the internet at the SEC's website at *www.sec.gov* or inspected and copied at the public reference facilities maintained by the SEC at 100 F Street, N.E., Washington, D.C. 20549. You can request copies of documents, upon payment of a duplicating fee, by writing to the SEC.

As a foreign private issuer, we are exempt under the Exchange Act from, among other things, the rules prescribing the furnishing and content of proxy statements, and our executive officers, directors and principal shareholders are exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. However, we intend to furnish the depositary with our annual reports, which will include a review of operations and annual audited consolidated combined financial statements prepared in conformity with U.S. GAAP, and all notices of shareholders' meetings and other reports and communications that are made generally available to our shareholders. The depositary will make such notices, reports and communications available to holders of ADSs and, if we so request, will mail to all record holders of ADSs the information contained in any notice of a shareholders' meeting received by the depositary from us.

Q&K INTERNATIONAL GROUP LIMITED

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Q&K International Group Limited

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Q&K International Group Limited (the "Company"), its subsidiaries and consolidated variable interest entities (the "Group") as of September 30, 2017 and 2018, the related consolidated statements of comprehensive loss, changes in shareholders' deficit, and cash flows, for each of the two years in the period ended September 30, 2018, and the related notes and financial statement schedule in Schedule I (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of September 30, 2017 and 2018, the results of their operations and their cash flows for each of the two years in the period ended September 30, 2018, are in conformity with accounting principles generally accepted in the United States of America.

Convenience Translation

Our audits also comprehended the translation of Renminbi amounts into United States dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 2. Such United States dollar amounts are presented solely for the convenience of readers in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on the Group's consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Group 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 audit to obtain reasonable assurance about whether the combined and consolidated financial statements are free of material misstatement, whether due to error or fraud. The Group is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits 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. We believe that our audits provide a reasonable basis for our opinion.

/s/ Deloitte Touche Tohmatsu Certified Public Accountants LLP
Shanghai, the People's Republic of China
June 28, 2019 (September 17, 2019 as to the convenience translation described in Note 2)

We have served as the Group's auditor since 2019.

Q&K INTERNATIONAL GROUP LIMITED
CONSOLIDATED BALANCE SHEETS
(Renminbi in thousands, except share and per share data, unless otherwise stated)

	As of September 30,				
	2017	2018		2018	
	RMB	RMB	USD (Note 2)	RMB (unaudited pro forma)	USD (Note 2)
ASSETS					
Current assets:					
Cash and cash equivalents	365,115	103,752	15,113	103,752	15,113
Restricted cash	2,000	15,000	2,185	15,000	2,185
Accounts receivable, net of allowance of nil as of September 30, 2017 and 2018	314	475	73	475	73
Amounts due from related parties	12,541	22,505	3,278	22,505	3,278
Prepaid rent and deposit	92,687	170,683	24,863	170,683	24,863
Advances to suppliers	27,270	17,079	2,488	17,079	2,488
Other current assets	42,118	118,445	17,253	118,445	17,253
Total current assets	**542,045**	**447,939**	**65,253**	**447,939**	**65,253**
Non-current assets:					
Property and equipment, net	578,331	1,320,822	192,399	1,320,822	192,399
Intangible assets, net	1,714	1,232	179	1,232	179
Land use rights	11,307	11,021	1,605	11,021	1,605
Other assets	201	389	57	389	57
Total non-current assets	**591,553**	**1,333,464**	**194,240**	**1,333,464**	**194,240**
Total assets	**1,133,598**	**1,781,403**	**259,493**	**1,781,403**	**259,493**
LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' DEFICIT					
LIABILITIES (including amounts of the consolidated VIEs without recourse to the Company, see Note 2)					
Current liabilities:					
Accounts payable	113,890	430,989	62,781	430,989	62,781
Amounts due to related parties	25,297	32,219	4,693	32,219	4,693
Deferred revenue	38,869	61,051	8,893	61,051	8,893
Short-term debt	123,678	132,048	19,235	132,048	19,235
Rental installment loans	734,313	1,108,097	161,413	1,108,097	161,413
Deposits from tenants	81,157	113,325	16,508	113,325	16,508
Accrued expenses and other current liabilities	55,975	92,154	13,424	92,154	13,424
Total current liabilities	**1,173,179**	**1,969,883**	**286,947**	**1,969,883**	**286,947**
Non-current liabilities:					
Long-term debt	182,505	165,479	24,105	165,479	24,105
Long-term deferred rent	159,028	341,303	49,716	341,303	49,716
Contingent earn-out liabilities	44,856	83,872	12,217	—	—
Total non-current liabilities	**386,389**	**590,654**	**86,038**	**506,782**	**73,821**
Total liabilities	**1,559,568**	**2,560,537**	**372,985**	**2,476,665**	**360,768**
Commitments and contingencies (Note 13)					

Q&K INTERNATIONAL GROUP LIMITED
CONSOLIDATED BALANCE SHEETS
(Renminbi in thousands, except share and per share data, unless otherwise stated)

	As of September 30,				
	2017	2018		2018	
	RMB	RMB	USD (Note 2)	RMB (unaudited pro forma)	USD (Note 2)
Mezzanine equity:					
Series B convertible redeemable preferred shares (US$0.00001 par value, 160,000,000 shares authorized, issued and outstanding; liquidation value of RMB180,636 and RMB202,312 as of September 30, 2017 and 2018, respectively)	161,904	205,723	29,967	—	—
Series C convertible redeemable preferred shares (US$0.00001 par value, 120,000,000 shares authorized, issued and outstanding; liquidation value of RMB210,896 and RMB242,530 as of September 30, 2017 and 2018, respectively)	206,642	235,681	34,331	—	—
Series C-1 convertible redeemable preferred shares (US$0.00001 par value, 103,500,000 shares authorized, issued and outstanding; liquidation value of RMB221,064 as of September 30, 2018)	—	202,639	29,518	—	—
Total mezzanine equity	**368,546**	**644,043**	**93,816**	—	—
Shareholders' deficit:					
Ordinary shares (US$0.00001 par value per share; 3,500,000,000 shares authorized; 384,450,490 and 430,450,490 shares issued and outstanding as of September 30, 2017 and 2018, respectively)	24	27	4	67	10
Series A non-redeemable preferred shares (US$0.00001 par value; 255,549,510 shares authorized, issued and outstanding as of September 30, 2017 and 2018)	35,777	35,777	5,212	—	—
Additional paid-in capital	—	—	—	679,781	99,021
Accumulated deficit	(845,314)	(1,478,466)	(215,363)	(1,394,595)	(203,146)
Accumulated other comprehensive (loss) income	(2,838)	1,713	250	1,713	251
Total Q&K International Group Limited shareholders' deficit	(812,351)	(1,440,949)	(209,897)	(713,034)	(103,864)
Noncontrolling interest	17,835	17,772	2,589	17,772	2,589
Total shareholder's deficit	**(794,516)**	**(1,423,177)**	**(207,308)**	**(695,262)**	**(101,275)**
Total liabilities, mezzanine equity and shareholders' deficit	**1,133,598**	**1,781,403**	**259,493**	**1,781,403**	**259,493**

The accompanying notes are an integral part of these consolidated financial statements.

Q&K INTERNATIONAL GROUP LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Renminbi in thousands, except share and per share data, unless otherwise stated)

	For the years ended September 30,		
	2017	2018	
	RMB	RMB	USD (Note 2)
Net revenues:			
Rental service	508,910	796,940	116,087
Value-added services and others	13,827	92,997	13,547
Total net revenues	**522,737**	**889,937**	**129,634**
Operating costs and expenses:			
Operating cost (including costs charged by related parties of RMB18,777 and RMB63,444 for the years ended September 30, 2017 and 2018, respectively)	(547,618)	(897,959)	(130,802)
Selling and marketing expenses (including expenses charged by related parties of RMB13,086 and RMB28,931 for the years ended September 30, 2017 and 2018, respectively)	(42,008)	(117,826)	(17,163)
General and administrative expenses	(34,353)	(84,953)	(12,375)
Research and development expenses (including expenses charged by related parties of RMB40,441 and RMB154 for the years ended September 30, 2017 and 2018, respectively)	(44,160)	(51,947)	(7,567)
Pre-operation expenses (including expenses charged by related parties of RMB7,350 and RMB26,460 for the years ended September 30, 2017 and 2018, respectively)	(19,934)	(117,107)	(17,059)
Impairment loss	(22,750)	(50,614)	(7,373)
Other income (expense), net	(1,460)	4,034	588
Total operating costs and expenses	**(712,283)**	**(1,316,372)**	**(191,751)**
Loss from operations	**(189,546)**	**(426,435)**	**(62,117)**
Interest income (expense), net	(50,136)	(77,167)	(11,241)
Foreign exchange gain (loss)	3	(91)	(13)
Fair value change of contingent earn-out liabilities	(5,165)	6,164	898
Loss before income taxes	**(244,844)**	**(497,529)**	**(72,473)**
Income tax expense	(596)	(2,393)	(349)
Net loss	**(245,440)**	**(499,922)**	**(72,822)**
Less: net income (loss) attributable to noncontrolling interests	(35)	63	9
Net loss attributable to Q&K International Group Limited	**(245,475)**	**(499,859)**	**(72,813)**
Deemed dividend	(58,763)	(135,545)	(19,745)
Net loss attributable to ordinary shareholders	**(304,238)**	**(635,404)**	**(92,558)**
Net loss per share attributable to ordinary shareholders of Q&K International Group Limited —Basic and diluted	(0.86)	(1.55)	(0.23)
Weighted average number of ordinary shares used in computing net loss per share—Basic and diluted	354,861,449	409,403,915	409,403,915
Unaudited pro forma net loss per ordinary share (Note 9)	—	(0.51)	(0.07)
Unaudited pro forma weighted average shares used in calculating net loss per ordinary share —Basic and diluted	—	997,412,329	997,412,329

Q&K INTERNATIONAL GROUP LIMITED
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Renminbi in thousands, except share and per share data, unless otherwise stated)

	For the years ended September 30,		
	2017	2018	
	RMB	RMB	USD (Note 2)
Net loss	**(245,440)**	**(499,922)**	**(72,822)**
Other comprehensive income (loss), net of tax of nil:			
Foreign currency translation adjustments	(2,838)	4,551	664
Comprehensive loss	(248,278)	(495,371)	(72,158)
Less: comprehensive income (loss) attributable to noncontrolling interests	35	(63)	(9)
Comprehensive loss attributable to Q&K International Group Limited	(248,313)	(495,308)	(72,149)
Deemed dividend	(58,763)	(135,545)	(19,745)
Comprehensive loss attributable to ordinary shareholders	(307,076)	(630,853)	(91,894)

The accompanying notes are an integral part of these consolidated financial statements.

Q&K INTERNATIONAL GROUP LIMITED
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
(Renminbi in thousands, except share data, unless otherwise stated)

	Q&K International Group Limited shareholders' deficit									
	Ordinary shares		Series A non-redeemable preferred shares		Additional paid in capital	Accumulated other comprehensive (loss) income	Accumulated deficit	Total	Noncontrolling interests	Total shareholders' deficit
	Number of shares	Amount	Number of shares	Amount						
Balance at September 30, 2016	**344,450,490**	**21**	**255,549,510**	**35,777**	**—**	**—**	**(541,851)**	**(506,053)**	**8,000**	**(498,053)**
Capital contribution	40,000,000	3	—	—	—	—	—	3	9,800	9,803
Share-based compensation					775	—	—	775	—	775
Deemed dividend accretion	—	—	—	—	(775)	—	(57,988)	(58,763)	—	(58,763)
Net loss	—	—	—	—	—	—	(245,475)	(245,475)	35	(245,440)
Foreign currency translation adjustments	—	—	—	—	—	(2,838)		(2,838)	—	(2,838)
Balance at September 30, 2017	**384,450,490**	**24**	**255,549,510**	**35,777**	**—**	**(2,838)**	**(845,314)**	**(812,351)**	**17,835**	**(794,516)**
Capital contribution	46,000,000	3	—	—	—	—	—	3	—	3
Share-based compensation					2,252	—	—	2,252	—	2,252
Deemed dividend accretion	—	—	—	—	(2,252)	—	(133,293)	(135,545)	—	(135,545)
Net loss	—	—	—	—	—	—	(499,859)	(499,859)	(63)	(499,922)
Foreign currency translation adjustments	—	—	—	—	—	4,551	—	4,551	—	4,551
Balance at September 30, 2018	**430,450,490**	**27**	**255,549,510**	**35,777**	**—**	**1,713**	**(1,478,466)**	**(1,440,949)**	**17,772**	**(1,423,177)**

The accompanying notes are an integral part of these consolidated financial statements.

Q&K INTERNATIONAL GROUP LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Renminbi in thousands, unless otherwise stated)

	For the years ended September 30,		
	2017	2018	
	RMB	RMB	USD (Note 2)
Operating activities:			
Net loss	(245,440)	(499,922)	(72,822)
Adjustments to reconcile net income to net cash provided by operating activities:			
Share-based compensation	775	2,252	328
Depreciation and amortization	101,786	152,311	22,187
Accretion of interest expense	21,122	10,733	1,563
Fair value change of contingent earn-out liabilities	5,165	(6,164)	(898)
Deferred rent	33,554	182,275	26,551
Impairment loss	22,750	50,614	7,373
Changes in operating assets and liabilities:			
Accounts receivable	(84)	(160)	(23)
Amounts due from related parties	(3,703)	(9,963)	(1,451)
Prepaid rent and deposit	(13,009)	(75,939)	(11,062)
Advances to suppliers	(13,369)	(2,393)	(349)
Other current assets	29,193	(21,498)	(3,132)
Other assets	(33)	(188)	(27)
Accounts payable	(3,450)	3,543	516
Amounts due to related parties	4,238	6,922	1,008
Deferred revenue	(691)	22,182	3,231
Deposits from tenants	(9,536)	32,168	4,686
Accrued expenses and other current liabilities	27,143	36,179	5,270
Net cash used in operating activities	**(43,589)**	**(117,048)**	**(17,051)**
Investing activities:			
Purchases of property and equipment	(274,068)	(674,298)	(98,223)
Purchases of land use rights	(11,450)	—	—
Net cash used in investing activities	**(285,518)**	**(674,298)**	**(98,223)**
Financing activities:			
Proceeds from issuance of ordinary shares	3	3	—
Proceeds from short-term debt	70,000	100,000	14,567
Repayment of short-term debt	(67,000)	(49,000)	(7,138)
Proceeds from long-term debt	253,045	—	—
Repayment of long-term debt	(37,817)	(108,130)	(15,751)
Proceeds from rental installment loans	1,020,891	1,886,187	274,754
Repayment of rental installment loans	(785,076)	(1,523,136)	(221,870)
Contribution from noncontrolling interest holders	9,800	—	—
Proceeds from issuance of preferred shares, net of issuance costs	192,274	185,132	26,968
Proceeds from capital lease	—	54,722	7,971
Repayment of capital lease liabilities	(6,669)	(6,250)	(910)
Net cash provided by financing activities	**649,451**	**539,528**	**78,591**
Effect of foreign exchange rate changes	(238)	3,455	505
Net increase (decrease) in cash, cash equivalents and restricted cash	320,106	(248,363)	(36,178)
Cash, cash equivalents and restricted cash at the beginning of the year	47,009	367,115	53,476
Cash, cash equivalents and restricted cash at the end of the year	367,115	118,752	17,298
Supplemental disclosure of cash flow information:			
Interest paid, net of amounts capitalized	(79,598)	(68,636)	(9,998)
Income taxes paid	(719)	(1,222)	(178)
Reconciliation to amounts on the consolidated balance sheets:			
Cash and cash equivalents	365,115	103,752	15,113
Restricted cash	2,000	15,000	2,185
Total cash, cash equivalents and restricted cash	367,115	118,752	17,298
Supplemental schedule of non-cash investing and financing activities:			
Purchases of property and equipment included in payables	(85,310)	(411,451)	(59,935)

The accompanying notes are an integral part of these consolidated financial statements.

Q&K INTERNATIONAL GROUP LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2017 AND 2018
(Renminbi in thousands, except share data and per share data, unless otherwise stated)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Q&K International Group Limited (the "Company" or "Q&K"), its subsidiaries and consolidated variable interest entities (the "Group") is a rental apartment operation platform in the People's Republic of China (the "PRC"), that provides rental and value-added services to young, emerging urban residents since 2012. The Group sources and converts apartments to standardized furnished rooms and leases to young people seeking affordable residence in cities in the PRC.

As of September 30, 2018, the Company's significant subsidiaries, variable interest entity (the "VIE") and the significant subsidiaries of the VIE are as follows:

Entity	Date of incorporation	Place of incorporation	Percentage of legal/beneficial ownership by the Company	Principal activities
Subsidiaries:				
QK365.com INC. (BVI)	September 29, 2014	BVI	100%	Holding
QingKe (China) Limited	July 7, 2014	Hong Kong	100%	Holding
Q&K Investment Consulting Co., Ltd. ("Q&K Investment Consulting" or the "WFOE")	April 2, 2015	PRC	100%	Holding and Operating
VIE:				
Shanghai Qingke E-Commerce Co., Ltd. ("Q&K E-commerce" or the "VIE")	August 2, 2013	PRC	100%	Holding and Operating
Subsidiaries of the VIE:				
Shanghai Qingke Equipment Rental Co., Ltd. ("Q&K Rental")	March 17, 2015	PRC	100%	Operating
Shanghai Qingke Public Rental Housing Leasing Management Co., Ltd. ("Qingke Public Rental")	November 5, 2014	PRC	100%	Operating
Suzhou Qingke Information Technology Co., Ltd. ("Suzhou Qingke")	April 3, 2014	PRC	100%	Operating

History of the Group and Reorganization

The Group began its operations through Shanghai Q&K Fashion Life Co., Ltd. ("Q&K Fashion") which was founded on November 8, 2007, by the parents of Jin Guangjie (the "Founder" or "CEO"), who had transferred all voting rights to the Founder by proxy agreements. On August 2, 2013, Q&K Fashion incorporated Shanghai Q&K E-commerce Co., Ltd ("Q&K E-commerce"). During the period from 2007 to 2014, Q&K Fashion undertook several rounds of equity financing and issued equity with preference rights to third party investors (Series A equity with preference rights). Since the date of incorporation, the Founder had held more than 50% controlling interests in Q&K Fashion. During 2014, Suzhou Qingke and Qingke Public Rental was formed and held by Q&K E-commerce in the PRC to become the main operating entities of the Group.

During 2014-2015, the Group underwent a series of reorganization activities ("the Reorganization") to redomicile its businesses from PRC to the Cayman Islands for an offshore holding structure.

On August 14, 2014, Q&K was founded in the Cayman Islands as an exempted company with limited liability under the laws of the Cayman Islands, which through an intermediate holding company in Hong Kong established Shanghai Qingke Investment Consulting Co., Ltd. ("Q&K Investment Consulting", or the "WFOE") as a wholly-owned subsidiary in the PRC in April 2015.

During March to April 2015, Q&K Fashion, through Q&K E-commerce, incorporated Shanghai Qingke Equipment Rental Co., Ltd. ("Q&K Rental"), and transferred its entire net assets to Q&K Rental.

Further, the WFOE entered into a series of contractual arrangements (Note 2) with Q&K E-commence (the "VIE") and the shareholders of the VIE. The contractual arrangements consisted of the shareholder voting proxy agreement, spousal consent letter, exclusive technology service agreement, exclusive option agreement and equity pledge agreement (the "VIE Agreements"). The Group believes that the VIE Agreements would enable the WFOE to (1) have power to direct the activities that most significantly affects the economic performance of the VIE and its subsidiaries and (2) receive the economic benefits of the VIE and its subsidiaries that could be significant to the VIE. Accordingly, the Group believes that the WFOE is the primary beneficiary of the VIE and its subsidiaries.

The Company issued ordinary shares and Series A preferred shares to the shareholders of Q&K Fashion in the same proportions as the percentage of equity interest they held in Q&K Fashion.

Given that all the entities were controlled by the Founder, the above series of transactions were accounted for as a reorganization under common control.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

Basis of presentation

The accompanying consolidated financial statements of the Group have been prepared in accordance with the accounting principles generally accepted in the United States of America ("US GAAP").

The accompanying consolidated financial statements have been prepared assuming that the Group will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The realization of assets and the satisfaction of liabilities in the normal course of business are dependent on, among other things, the Group's ability to generate cash flows from operations, and the Group's ability to arrange adequate financing arrangements, to support its working capital requirements.

The Group has been incurring losses from operations since its inception. Accumulated deficits amounted to RMB845,314 and RMB1,478,466 as of September 30, 2017 and 2018, respectively. Net cash used in operating activities were RMB43,589 and RMB117,048 for the years ended September 30, 2017 and 2018, respectively. As of September 30, 2017 and 2018, current liabilities exceeded current assets by RMB631,134 and RMB1,521,944, respectively. These factors raise substantial doubt about the Group's ability to continue as a going concern. The financial statements do not include any adjustments that might be necessary if the Group is unable to continue as a going concern.

These factors are mitigated by the following plans and actions:

- In June 2019, the Group issued additional Series C-2 preferred shares for a total cash consideration of US$83,250, approximately RMB574,425;
- In March 2019, the Group obtained RMB2,000,000 credit facility with a three-year term from a PRC commercial bank to support the Group's operations, of which RMB1,000,000 is for rental installment loans;

- Of the remaining RMB1,000,000 of the above credit facility, RMB450,000 is contractually restricted for the payment for renovation expenditure and daily operations, and RMB550,000 for supply chain funding. Based on the Group's historical experience, renovation and supply chain funding requests will be approved in the normal course of business provided that the Group submits the required supporting documentation and the amount is within the credit limit granted.

In addition, since August 2018, the Group has cooperated with a rental service company owned by a bank to source and renovate apartments under capital lease arrangements, and also from February 2019, the Group initiated an "assets light strategy" by sourcing decorated and furnished apartments from landlords, which reduced the need for additional capital expenditures for apartment renovations. The Group considers these strategies will reduce the needs to use the rental installment loans to fund the pre-operation and renovation costs going forward which will help the Group's liquidity situation.

Based on the above factors, management believes that adequate sources of liquidity exist to fund the Group's working capital and capital expenditures requirements, and to meet its other liabilities and commitments as they become due for at least twelve months from the issuance of these financial statements.

Principles of consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries and consolidated variable interest entities. All intercompany transactions and balances are eliminated on consolidation.

To comply with the PRC law and regulations which restrict foreign ownership of companies that provide value-added telecommunication services in the PRC, Q&K Investment Consulting entered into VIE Agreements with Q&K E-Commerce and its respective shareholders through which the Company became the primary beneficiary of Q&K E-Commerce and its subsidiaries.

The following is a summary of the key VIE Agreements:

Shareholder Voting Proxy Agreement

Q&K Investment Consulting, Q&K E-Commerce and the shareholders of Q&K E-Commerce entered into a shareholder voting proxy agreement on April 21, 2015. Pursuant to the voting proxy agreement, each shareholder of Q&K E-Commerce irrevocably authorizes any person(s) designated by Q&K Investment Consulting to act as his or her attorney-in-fact to exercise all of such shareholder's voting and other rights associated with the shareholder's equity interest in Q&K E-Commerce, such as the right to appoint or remove directors, supervisors and officers, as well as the right to sell, transfer, pledge and dispose of all or a portion of the shares held by such shareholder. The shareholder voting proxy agreement will remain in force unless Q&K Investment Consulting gives out any instruction in writing or otherwise.

Spousal Consent Letters

The spouse of one shareholder of the VIE who holds 10.47% equity interest in Q&K E-Commerce signed a spousal consent letter on April 14, 2015. Under the spousal consent letter, the signing spouse unconditionally and irrevocably agreed, respectively, that she was aware of the disposal of Q&K E-Commerce shares held by the shareholder in the abovementioned exclusive option agreement, equity pledge agreement, shareholder voting proxy agreement and power of attorney. The signing spouse confirmed not having any interest in the Q&K E-Commerce shares and committed not to impose any adverse assertions upon those shares. The signing spouse further confirmed that her consent and approval are not needed for any amendment or termination of the abovementioned agreements and committed that she shall take all necessary measures needed for the performance of those agreements.

Exclusive Technology Service Agreement

Q&K Investment Consulting and Q&K E-Commerce entered into an exclusive technology service agreement on April 21, 2015. Pursuant to this agreement, Q&K Investment Consulting or its designated party has the exclusive right to provide Q&K E-Commerce with consulting, software and technology services. Without Q&K Investment Consulting's prior written consent, Q&K E-Commerce shall not accept any technical support and services covered by this agreement from any third party. Q&K E-Commerce agrees to pay service fees equivalent to no less than 100% of its annual net profit. Q&K E-Commerce also agrees to pay service fees for any specific technology service and consultation service rendered by Q&K Investment Consulting at Q&K E-Commerce's request from time to time. Q&K Investment Consulting owns the intellectual property rights arising out of the provisions of services under this agreement. Unless terminated mutually, this agreement will remain effective for twenty years. This agreement will be automatically renewed for another ten years, unless there is any written objection rendered third days prior to its expiry.

Exclusive Option Agreement

Q&K Investment Consulting, Q&K E-Commerce and the shareholders of Q&K E-Commerce entered into an exclusive option agreement in 2015. Pursuant to the exclusive option agreement, Q&K E-Commerce and its shareholders have irrevocably granted Q&K Investment Consulting or any third party designated by Q&K Investment Consulting an exclusive option to purchase all or part of their respective equity interests in Q&K E-Commerce. The purchase price shall be the lower of (i) the amount that the shareholders contributed to Q&K E-Commerce as registered capital for the equity interests to be purchased, or (ii) the lowest price permitted by applicable PRC law. The shareholders of Q&K E-Commerce irrevocably agree that if such price is lower than what is allowed by PRC law, the purchase price should be equal to the lowest price allowed by PRC law. Q&K E-Commerce or its shareholders will repay Q&K Investment Consulting or any third party designated by Q&K Investment Consulting the purchase price within ten business days after Q&K E-Commerce or its shareholders receives such purchase price. In addition, Q&K E-Commerce granted Q&K Investment Consulting an exclusive option to purchase, or have its designated entity or person, to purchase, at its discretion, to the extent permitted under PRC law, all or part of Q&K E-Commerce's assets at the net book value of the transferred assets, or the lowest price permitted by applicable PRC law if the latter is higher than the relevant net book value.

Q&K Investment Consulting may transfer any of its rights or obligations under this agreement to a third party after notifying Q&K E-Commerce and its shareholders. Without Q&K Investment Consulting's prior written consent, the shareholders of Q&K E-Commerce shall not, among other things, amend its articles of association, increase or decrease the registered capital, sell, dispose of or set any encumbrance on its assets, business or revenue outside the ordinary course of business, enter into any material contract, merge with any other persons or make any investments, distribute dividends, or enter into any transactions which have material adverse effects on its business. The shareholders of Q&K E-Commerce also undertake that they will not transfer, pledge, or otherwise dispose of their equity interests in Q&K E-Commerce to any third party or create or allow any encumbrance on their equity interests. This agreement will remain effective until Q&K Investment Consulting or any third party designated by Q&K Investment Consulting has acquired all equity interest of Q&K E-Commerce from its shareholders.

Equity Pledge Agreement

Q&K Investment Consulting, Q&K E-Commerce and the shareholders of Q&K E-Commerce entered into an equity pledge agreement on April 21, 2015. Pursuant to the equity pledge agreement, each shareholder of Q&K E-Commerce has pledged all of its equity interest in Q&K E-Commerce to Q&K Investment Consulting to guarantee the performance by such shareholder and Q&K E-Commerce of their respective obligations under the exclusive technology service agreement, shareholder voting proxy agreements, and exclusive option agreement as well as their respective liabilities arising from any breach. If Q&K E-Commerce or any of its shareholders breaches any obligations under these agreements, Q&K Investment Consulting, as pledgee, will be entitled to

dispose of the pledged equity and have priority to be compensated by the proceeds from the disposal of the pledged equity. Each of the shareholders of Q&K E-Commerce agrees that before its obligations under the contractual arrangements are discharged, he or she will not dispose of the pledged equity interests, create or allow any encumbrance on the pledged equity interests, or take any action which may result in any change of the pledged equity that may have material adverse effects on the pledgee's rights under this agreement without the prior written consent of Q&K Investment Consulting. The equity pledge agreement will remain effective until Q&K E-Commerce and its shareholders discharge all their obligations under the contractual arrangements. The Company has completed the registration of the equity pledge with the relevant office of the Administration for Industry and Commerce in accordance with PRC Property Rights Law on April 30, 2015.

The Group believes that the contractual arrangements with the VIE are in compliance with PRC law and are legally enforceable. However, uncertainties in the PRC legal system could limit the Group's ability to enforce the contractual arrangements. If the legal structure and contractual arrangements were found to be in violation of PRC laws and regulations, the PRC government could:

- revoke the business and operating licenses of the Company's PRC subsidiaries and VIE;
- discontinue or restrict the operations of any related-party transactions between the Company's PRC subsidiaries and VIE;
- limit the Group's business expansion in China by way of entering into contractual arrangements;
- impose fines or other requirements with which the Company's PRC subsidiaries and VIE may not be able to comply;
- require the Company or the Company's PRC subsidiaries or VIE to restructure the relevant ownership structure or operations; or
- restrict or prohibit the Company's use of the proceeds of the additional public offering to finance the Group's business and operations in China.

The imposition of any of these penalties may result in a material adverse effect on the Group's ability to conduct its business. In addition, if the imposition of any of these penalties causes the Group to lose the rights to direct the activities of the VIE or the right to receive their economic benefits, the Group would no longer be able to consolidate the financial results of the VIE.

These contractual arrangements allow the Group to effectively control Q&K E-commerce and its subsidiaries, and to derive substantially all of the economic benefits from them. Accordingly, the Group treats Q&K E-commerce and its subsidiaries as VIE. Because the Group is the primary beneficiary, the Group has consolidated the financial results of the VIE.

The following financial statement amounts and balances of the VIE and its subsidiaries were included in the accompanying consolidated financial statements after elimination of intercompany transactions and balances:

	As of September 30,		
	2017	2018	
	RMB	RMB	USD (Note 2)
ASSETS			
Cash and cash equivalents	156,133	49,977	7,280
Restricted cash	2,000	15,000	2,185
Accounts receivable, net of allowance of nil as of September 30, 2017 and 2018	314	473	69
Amounts due from related parties	12,540	22,503	3,278
Prepaid rent and deposit	91,413	169,021	24,621
Advances to suppliers	26,309	13,514	1,969
Other current assets	38,488	113,835	16,582
Property and equipment, net	518,506	1,273,871	185,560
Intangible assets, net	1,252	1,073	156
Land use rights	11,307	11,021	1,605
Other assets	119	207	30
Total assets	**858,381**	**1,670,495**	**243,335**
Liabilities			
Accounts payable	112,694	430,963	62,777
Amounts due to related parties	25,287	32,179	4,687
Deferred revenue	38,869	61,051	8,893
Short-term debt	123,678	132,048	19,235
Rental installment loans	734,313	1,108,097	161,413
Deposits from tenants	81,157	113,325	16,508
Accrued expenses and other current liabilities	51,102	87,468	12,741
Long-term debt	182,505	165,479	24,105
Long-term deferred rent	159,028	341,303	49,716
Total liabilities	**1,508,633**	**2,471,913**	**360,075**

	For the years ended September 30		
	2017	2018	
	RMB	RMB	USD (Note 2)
Net revenues	522,737	889,937	129,635
Net loss	(66,857)	(251,555)	(36,643)

	For the years ended September 30		
	2017	2018	
	RMB	RMB	USD (Note 2)
Net cash provided by (used in) operating activities	(23,963)	10,964	1,597
Net cash used in investing activities	(285,518)	(515,360)	(75,071)
Net cash provided by financing activities	421,275	411,219	59,901

The consolidated VIEs contributed 100% of the Group's consolidated revenues for the years ended September 30, 2017 and 2018. As of September 30, 2017 and 2018, the consolidated VIEs accounted for an aggregate of 76% and 94%, respectively, of the Group's consolidated total assets, and 97% and 97%, respectively, of the Group's consolidated total liabilities.

There are no consolidated assets of the VIE that are collateral for the obligations of the VIE and their subsidiaries and can only be used to settle the obligations of the VIE and their subsidiaries. There are no terms in

any arrangements, considering both explicit arrangements and implicit variable interests that require the Company or its subsidiaries to provide financial support to the VIE. However, if the VIE were ever to need financial support, the Group may, at its option and subject to statutory limits and restrictions, provide financial support to its VIE through loans to the shareholders of the VIE.

The Group believes that there are no assets held in the VIE that can be used only to settle obligations of the VIE, except for registered capital and the PRC statutory reserves. As the VIE is incorporated as a limited liability company under the PRC Company Law, creditors of the VIE do not have recourse to the general credit of the Company for any of the liabilities of the VIE. Relevant PRC laws and regulations restrict the VIE from transferring a portion of their net assets, equivalent to the balance of its statutory reserve and its share capital, to the Company in the form of loans and advances or cash dividends. Please refer to Note 11 for disclosure of restricted net assets.

Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ materially from those estimates. The Group bases its estimates on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Significant accounting estimates reflected in the Group's consolidated financial statements include the useful lives and impairment of property and equipment, valuation allowance of deferred tax assets, share-based compensation, contingent earn-out liabilities, convertible redeemable preferred shares and Series A non-redeemable preferred shares.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and demand deposits, which are unrestricted as to withdrawal and use, and which have original maturities of three months or less when purchased.

Restricted cash

Restricted cash mainly represents the Group's deposits to the bank as a form of security with respect to the tenants' repayment of rental installment loans. The cash held as deposits in the bank are not available to fund the general liquidity needs of the Group. See Lease accounting with tenants in Note 2.

Accounts receivable, net of allowance

Accounts receivable mainly consist of rental receivables, which are recognized and carried at the original invoice amount less an allowance for doubtful accounts. The Group establishes an allowance for doubtful accounts primarily based on the credit risk of specific customers.

Property and equipment, net

Property and equipment, net are stated at cost less accumulated depreciation and impairment losses. The renovations and interest cost incurred during construction are capitalized. Depreciation of property and equipment is provided using the straight-line method over their expected useful lives. The expected useful lives are as follows:

Leasehold improvements	Shorter of the lease term or their estimated useful lives
Buildings	40 years
Furniture, fixtures and equipment	5-8 years
Motor vehicles	8 years

Construction in progress represents leasehold improvements under construction or being installed and is stated at cost. Cost comprises original cost of property and equipment, installation, construction and other direct costs. Construction in progress is transferred to leasehold improvements and depreciation commences when the asset is ready for its intended use.

Expenditures for repairs and maintenance are expensed as incurred. Gain or loss on disposal of property and equipment, if any, is recognized in the consolidated statements of comprehensive loss as the difference between the net sales proceeds and the carrying amount of the underlying asset.

Capitalization of interest

Interest cost incurred on funds used to construct leasehold improvements during the active construction period is capitalized. The interest capitalized is determined by applying the borrowing interest rate to the average amount of accumulated capital expenditures for the assets under construction during the period. Total interest expenses incurred were RMB59,452 and RMB92,836 for the years ended September 30, 2017 and 2018, respectively, out of which the capitalized amount were RMB9,226 and RMB13,078, respectively.

Intangible assets, net

Intangible assets consist primarily of purchased software and are amortized using the straight-line method over their expected useful lives. Total amortization expense to be recorded in the next five years are RMB330, RMB187, RMB178, RMB178 and RMB177, respectively.

Land use rights

Land use rights, which are all located in the PRC, are recorded at cost and amortized on a straight-line basis over the remaining term of the land certificates, which is between 30 to 50 years. Amortization expense of land use rights for the years ended September 30, 2017 and 2018 amounted to RMB143 and RMB286, respectively.

Impairment of long-lived assets

The Group evaluates its long-lived assets and finite lived intangibles for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When these events occur, the Group measures impairment by comparing the carrying amount of the assets to future undiscounted net cash flows expected to result from the use of the assets and their eventual disposition. If the sum of the expected undiscounted cash flows is less than the carrying amount of the assets, the Group recognizes an impairment loss equal to the difference between the carrying amount and fair value of these assets.

The Group performed an impairment test of its long-lived assets associated with certain apartments due to the continued underperformance relative to the projected operating results, and recognized an impairment loss of RMB22,750 and RMB50,614 during the years ended September 30, 2017 and 2018, respectively. See Note 4.

Capital lease

Leases of leasehold improvements or furniture, fixtures and equipment that transfer to the Group substantially all of the risks and rewards of ownership by the end of the lease term are classified as capital leases. The leased assets and liability are measured initially at an amount equal to the lower of their fair value or the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under capital leases are apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

Contingent earn-out liabilities

The Group records contingent earn-out liabilities related to the EBITDA feature of Series C and Series C-1 convertible redeemable preferred shares at fair value. The Group measures the fair value of the contingent earn-out liabilities and records increases or decreases in its fair value as an adjustment to accumulated deficit. As of September 30, 2017 and 2018, the balance of contingent earn-out liabilities were RMB44,856 and RMB83,872, respectively. See Note 7.

Lease accounting with tenants

The Group sources apartments from landlords and converts them into standardized furnished rooms to lease to tenants seeking affordance residences in China. Revenues are primarily derived from the lease payments from its tenants and are recorded net of tax.

The Group typically enters into 26-month leases with its tenants, a majority of which have a lock-in period of 12 months or shorter. The lock-in period represents the term during which termination will result in the forfeiture of deposit, which is typically 1 or 2 months' rent. The Group determines that the lock-in period is the lease term under ASC 840. Upon termination of leases, the Group returns unused portions of any prepaid rentals to the tenant within a prescribed period of time. Deposit can only be returned for termination after lock-in period. Monthly rent is fixed throughout the lease term and there is no rent-free period or rent escalations during the period. The Group determines all lease arrangements with tenants are operating leases since the benefits and risks incidental to ownership remains with the Group. Revenue is recognized on a straight-line basis starting from the commencement date stated in the lease agreements.

The cost amount for leasehold improvements and furniture, fixtures and equipment used in apartments were RMB1,222,639 and RMB512,597, respectively, the accumulated depreciation was RMB261,149 and RMB107,223, respectively and the impairment losses was RMB122,757 and RMB51,951, respectively as of September 30, 2018. Future rentals from outstanding leases that are within the lock-in period as of September 30, 2018 is RMB701,100.

Rental incentives

Tenants who prepay rent are entitled to rental discounts. Tenants who prepay rent of at least the first six months of the lease term can enjoy a 5% rental discount, and tenants who prepay at least the first twelve months of lease term rental can enjoy a 10% rental discount (subject to a RMB200 limit per month). Such incentives are only applicable during the lock-in period. The Group considers the rental discounts as a lease incentive and records it as a reduction in revenue on a straight line basis over the lease term. The Group recorded RMB61,227 and RMB61,317 of rental incentives for the years ended September 30, 2017 and 2018, respectively.

Rental installment loan arrangement

In order to encourage tenants to make advance payments, the Group cooperates with various financial institution partners to facilitate rental installment loans for its tenants, who apply for rental installment loans directly with these financial institutions. The financial institutions approve or decline the rental installment loans based on the tenants credit profile, and approval of the rental installment loans are not guaranteed to the tenants at lease inception. If the loans are approved by the financial institution partners, the proceeds, which represent the total rental payments for the period covered under the lease agreement, are remitted to the Group by way of the tenant's entrustment. The proceeds would then be applied to the tenants' rental payments on monthly basis. The Group records the entire prepayment as rental installment loans. Tenants repay the loan principal in monthly installments directly to the financial institutions which equals to the monthly rental payment. The Group pays installment loan interests on behalf of the tenants and recognizes such payments as interest expense in the consolidated statements of comprehensive loss.

The Group also provides guarantee to these financial institutions with respect to the tenants' repayment of the loans. In the event that the tenants default on the repayment or early terminate the lease agreements, the

Group must return the remaining prepayments to the financial institutions within a prescribed period of time. Under the rental installment loan scheme, the Group has full control of the entire installment loan proceeds and the security deposits collected from the tenants at lease inception are usually sufficient to cover for the delinquent payments from default. As such, the Group determines that guarantee liability to be nil for the years ended September 30, 2017 and 2018.

Impact on cash flows

For rental installment loans received directly from financial institutions, the Group determines the substance of the arrangement as akin to a debt from its tenants, and as such, this portion was classified as a cash inflow from financing activities within the Group's statements of cash flows. During the lease term, constructive receipts and disbursements are recognized on a monthly basis by recognizing the repayment of rental installment loans as a financing cash outflow and the receipt of monthly rental income as an operating cash inflow.

Rental prepayments received directly from tenants were recorded as deferred revenue in the consolidated balance sheets and classified as a cash inflow from operating activities.

Lease accounting with landlords

The Group leases apartments from landlords usually for a period of five to six years which may be extended for an additional three or two years at the discretion of the landlords. Since all the benefits and risks incidental to ownership remains with the landlord, the Group determines that these arrangements are operating leases. The Group typically negotiates a rent free period of 90-120 days and locks in a fixed rent for the first three years and approximately 5% annual, non-compounding increase for the rest of the lease period. As such, typically all leases with landlords contain rent holidays and fixed escalations of rental payments during the lease term. The Group determines the lease term under ASC 840 to include the years that can be early terminated by the landlords. The Group records total lease expense on a straight-line basis over the lease term and the difference between the straight-line lease expense and cash payments under the lease is recorded as deferred rent on the consolidated balance sheets. As of September 30, 2017 and 2018, deferred rent of RMB6,698 and RMB17,301 were recorded in accrued expenses and other current liabilities and RMB159,028 and RMB341,303 were recorded as long-term deferred rent, respectively.

Rental expense to the landlords recorded in consolidated statements of comprehensive losses were RMB426,801 and RMB755,380 for the years ended September 30, 2017 and 2018, respectively.

Value-added services and others

Value-added services and others primarily consists of fees received from the tenants from the Group's provision of internet connection and utility services as part of the lease agreement. The service fees are fixed in the agreements and recognized on a monthly basis during the period of the lease term. The service fee are recognized on a gross basis as the Group has latitude in determining prices and bears inventory risks.

Pre-operation expenses

The Group expenses certain costs incurred in connection with apartment pre-operation activities, mainly including rental expenses and sourcing staff costs incurred before an apartment is ready for lease.

Selling and marketing expenses

Sales and marketing expenses consist primarily of online and offline marketing expenses, promotion expenses, staff costs of sales personnel and other related incidental expenses that are incurred indirectly to attract or retain tenants for the Group. Advertising expenses incurred were RMB8,826 and RMB35,270 for the years end September 30, 2017 and 2018, respectively.

Research and development expenses

Research and development expenses include payroll expenses, employee benefits, and other headcount-related expenses associated with platform development and big data analysis to support the Group's business operations.

Employee benefit expenses

As stipulated by the regulations of the PRC, full-time employees of the Group are entitled to various government statutory employee benefit plans, including medical insurance, maternity insurance, workplace injury insurance, unemployment insurance and pension benefits through a PRC government-mandated multi-employer defined contribution plan. The Group is required to make contributions to the plan and accrues for these benefits based on certain percentages of the qualified employees' salaries. The total expenses the Group incurred for the plan were RMB4,989 and RMB17,953 for the years ended September 30, 2017 and 2018, respectively.

PRC value-added taxes and related taxes

The Group is subject to value-added taxes at the rate of 6%, 16% and 17%, education surtax and urban maintenance and construction tax, on the services provided in the PRC. Such taxes are primarily levied based on revenue at applicable rates and are recorded as a reduction of revenues.

Income taxes

Current income taxes are provided on the basis of net income for financial reporting purposes, adjusted for income and expense items which are not assessable or deductible for income tax purposes, in accordance with the regulations of the relevant tax jurisdictions. The Group follows the asset and liability method of accounting for income taxes.

Deferred income taxes are provided using assets and liabilities method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse.

Deferred tax assets are recognized to the extent that these assets are more likely than not to be realized. In making such determination, the management considers all positive and negative evidence, including future reversals of projected future taxable income and results of recent operation.

In order 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. The Group recognizes interest and penalties, if any, under accrued expenses and other current liabilities on its consolidated balance sheet and under other expenses in its consolidated statement of comprehensive loss. As of September 30, 2017 and 2018, the Group did not have any significant unrecognized uncertain tax positions.

Foreign currency translation

The reporting currency of the Group is the Renminbi ("RMB"). The functional currency of the Group's entities incorporated in Cayman Islands, the United States and Hong Kong is the United States dollar ("US

dollar") and the functional currency of the Group's PRC subsidiaries is RMB. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into functional currency at the rates of exchange ruling at the balance sheet date. Transactions in currencies other than the functional currency during the year are converted into the functional currency at the applicable rates of exchange prevailing on the day transactions occurred. Transaction gains and losses are recognized in the consolidated statements of comprehensive loss.

Assets and liabilities are translated into RMB at the exchange rates at the balance sheet date, equity accounts are translated at historical exchange rates and revenues, expenses, gains and losses are translated using the average rate for the year. Translation adjustments are reported as cumulative translation adjustments and are shown as a separate component of other comprehensive loss in the consolidated statements of comprehensive loss.

The financial records of the Group's subsidiaries are maintained in local currencies, which are the functional currencies.

Convenience translation

The Group's business is primarily conducted in the PRC and all of the revenues are denominated in RMB. The financial statements of the Group are stated in RMB. Translations of balances in the consolidated balance sheet, and the related consolidated statements of operations, shareholders' equity and cash flows from RMB into US dollars as of and for the year ended September 30, 2018 are solely for the convenience of the readers and were calculated at the rate of USD1.00=RMB 6.8650, representing the noon buying rate set forth in the H.10 statistical release of the U.S. Federal Reserve Board on June 28, 2019. No representation is made that the RMB amounts could have been, or could be, converted, realized or settled into USD at that rate June 28, 2019, or at any other rate.

Concentration of credit risk

Financial instruments that potentially expose the Group to concentration of credit risk consist primarily of cash and cash equivalents, restricted cash, account receivables and amounts due from related parties.

All of the Group's cash and cash equivalents and restricted cash are held with financial institutions that Group management believes to be high credit quality. The Group conducts credit evaluations on its tenants and generally require deposits as collateral. The Group periodically evaluates the creditworthiness of the existing tenants in determining an allowance for doubtful accounts primarily based upon the age of the receivables and factors surrounding the credit risk of specific customers.

Fair value

The Group 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 established fair value hierarchy 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. The three levels of inputs may be used to measure fair value include:

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 assets 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 assets 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 Group's financial instruments include cash and cash equivalents, restricted cash, accounts receivable, amounts due from related parties, accounts payable, amounts due to related parties, short-term debt, rental installment loans, deposits from tenants, other current liabilities, long-term debt and contingent earn-out liabilities

The following table summarizes the fair value of the Group's financial assets and liabilities that are accounted for at fair value on a recurring basis, by level within the fair value hierarchy, as of September 30, 2017 and 2018:

			Fair Value Measurements at Reporting Date Using			
Years Ended September 30,	Description	Fair Value as of September 30 RMB	Quoted Prices in Active Markets for Identical Assets (Level 1) RMB	Significant Other Observable Inputs (Level 2) RMB	Significant Unobservable Inputs (Level 3) RMB	Total Gain (Loss) for the Year RMB
2017	Contingent earn-out liabilities	44,856			44,856	(5,165)
2018	Contingent earn-out liabilities	83,872			83,872	6,164

The Group determines the fair value with the help from third party professional valuation specialists, and the assumptions used in estimating fair value require significant judgment. The use of different assumptions and judgments could result in a materially different estimate of fair value. Key inputs in determining the fair value of the contingent earn-out liabilities include assumptions such as operating income, operating cost, number of new apartments acquired, probabilities of qualified IPO, etc., and changes in these assumptions would affect the number and value of future additional shares to be issued. Contingent earn-out liabilities are classified in Level 3 of the valuation hierarchy. See Note 7.

The following table presents the Group's assets measured at fair value on a non-recurring basis for the years ended September 30, 2017 and 2018:

			Fair Value Measurements at Reporting Date Using			
Years Ended September 30,	Description	Fair Value for Years Ended September 30 RMB	Quoted Prices in Active Markets for Identical Assets (Level 1) RMB	Significant Other Observable Inputs (Level 2) RMB	Significant Unobservable Inputs (Level 3) RMB	Total Loss for the Year RMB
2017	Property and equipment	105,689			105,689	22,750
2018	Property and equipment	103,399			103,399	50,614

Fair value of the property and equipment impairment testing was determined by the Group based on the income approach using the discounted cash flow associated with the underlying assets, which incorporated

certain assumptions including projected rooms' revenue, growth rates and projected operating costs based on current economic condition, expectation of management and projected trends of current operating results. As a result, the Group has determined that the majority of the inputs used to value its property and equipment are unobservable inputs that fall within Level 3 of the fair value hierarchy. The revenue growth rate and the discount rate were the significant unobservable inputs used in the fair value measurement, which were 2% and 11%, respectively, for the years ended September 30, 2017 and 2018, respectively.

As a result of reduced expectations of future cash flows from certain leased apartments, the Group determined that the property and equipment was not fully recoverable and consequently recorded an impairment charge of RMB22,750 and RMB50,614 for the years ended September 30, 2017 and 2018, respectively.

The financial instruments including cash and cash equivalents, restricted cash, account receivables, amounts due from related parties, account payables, amounts due to related parties, short-term debt, rental installment loans, deposits from tenants, other liabilities, are carried at cost which approximates their fair value due to the short-term nature of these instruments. The long-term debt approximates their fair values, because the bearing interest rate approximates market interest rate, and market interest rates have not fluctuated significantly since the commencement of loan contracts signed.

Share-based compensation

The Group recognizes share-based compensation in the consolidated statements of comprehensive loss based on the fair value of equity awards on the date of the grant, with compensation expenses recognized over the period in which the grantee is required to provide service to the Group in exchange for the equity award. Vesting of certain equity awards are based on the completion of initial public offering ("IPO") and has a continued employment provision for a period of time following the grant date. The share-based compensation expenses have been categorized as either general and administrative expenses, research and development expenses or selling and marketing expenses, depending on the job functions of the grantees. For the years ended September 30, 2017 and 2018, the Group recognized share-based compensation expenses of RMB775 and RMB2,252, respectively, in general and administrative expenses.

Losses per share

Basic loss per share are computed by dividing net loss attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the period.

The Group's preferred shares are participating securities as the preferred shares participate in undistributed earnings on an as-if-converted basis. Accordingly, the Group uses the two-class method of computing earnings per share. For the years ended September 30, 2017 and 2018, two-class method was not applicable as the Group had a net loss while the preferred shares do not have contractual obligations to share in the losses of the Group.

Diluted loss per ordinary share reflects the potential dilution that could occur if securities or other contracts to issue ordinary shares were exercised or converted into ordinary shares. Ordinary share equivalents are excluded from the computation in income periods should their effects be anti-dilutive. The Group had convertible redeemable and non-redeemable preferred shares and share options, which could potentially dilute basic earnings per share in the future. To calculate the number of shares for diluted loss per share, the effect of the convertible redeemable and non-redeemable preferred shares and share options is computed using the two-class method or the as-if converted method, whichever is more dilutive.

Segment reporting

The Group uses management approach to determine operation segment. The management approach considers the internal organization and reporting used by the Group's chief operating decision maker (''CODM'') for making decisions, allocation of resource and assessing performance.

The Group's CODM has been identified as the Chief Executive Officer who reviews the consolidated results of operations when making decisions about allocating resources and assessing performance of the Group. The Group operates and manages its business as a single operating segment.

The Group's long-lived assets are all located in the PRC and all of the Group's revenues are derived from within the PRC. Therefore, no geographical segments are presented.

Recent accounting pronouncements

In May 2014, the Financial Accounting Standards Board (the "FASB") issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606) which supersedes the revenue recognition requirements in Accounting Standards Codification ("ASC") Topic 605, Revenue Recognition. The standard provides companies with a single model for use in accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance, including industry-specific revenue guidance. The core principle of the model is to recognize revenue when control of the goods or services transfers to the customer. The new disclosure requirements will provide information about the nature, amount, timing and uncertainty of revenue and cash flows from revenue contracts with customers. The guidance is effective for annual and interim reporting periods beginning after December 15, 2017.

The new revenue standards may be applied retrospectively to each prior period presented (full retrospective method) or retrospectively with the cumulative effect recognized as of the date of initial application (the modified retrospective method). The Group as an emerging growth company ("EGC") has elected to adopt the new revenue standard as of the effective date applicable to nonissuers and will implement the new revenue standard for the year ending September 30, 2020 using the modified retrospective method. The Group is in the process of evaluating the impact of the adoption of this standard on its consolidated financial statements and currently does not expect the adoption will have significant effects on the Group's revenue recognition practices, financial positions, results of operations or cash flows.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The guidance supersedes existing guidance on accounting for leases with the main difference being that operating leases are to be recorded in the statement of financial position as right-of-use assets and lease liabilities, initially measured at the present value of the lease payments. For operating leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election not to recognize lease assets and liabilities. For public business entities, the guidance is effective for fiscal years beginning after December 15, 2018, including final periods within those fiscal years. In transition, entities are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. In July 2018, the FASB issued ASU No. 2018-10 Codification Improvements to Topic 842, Leases and ASU No. 2018-11, Leases (Topic 842), Targeted Improvements. ASU No. 2018-10 affects narrow aspects of the guidance issued in the amendments in Update 2016-02 and ASU No. 2018-11 allows for an additional optional transition method where comparative periods presented in the financial statements in the period of adoption will not be restated and instead, companies will recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. The Group is an EGC and has elected to adopt the new leasing standard as of the effective date applicable to nonissuers and will implement the new leasing standard on October 1, 2020. The Group is in the process of evaluating the impact of adoption of this guidance on its consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, Credit Losses, Measurement of Credit Losses on Financial Instruments. This ASU provides more useful information about expected credit losses to financial statement users and changes how entities will measure credit losses on financial instruments and timing of when such losses should be recognized. This ASU is effective for annual and interim periods beginning after December 15, 2019. Early adoption is permitted for all entities for annual periods beginning after December 15, 2018, and interim periods therein. The updates should be applied through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective (that is, a modified-

retrospective approach). The Group is an EGC and has elected to adopt the new standard as of the effective date applicable to nonissuers and will implement the new standard on October 1, 2020. The Group is in the process of evaluating the impact on its consolidated financial statements upon adoption.

In August 2018, the FASB released ASU 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement. ASU 2018-13 modifies the disclosure requirements on fair value measurements. The provisions of ASU 2018-13 are to be applied using a prospective or retrospective approach, depending on the amendment, and are effective for interim periods and fiscal years beginning after October 1, 2020, with early adoption permitted. The Group is still evaluating the impact of adopting ASU 2018-13.

3. OTHER CURRENT ASSETS

	As of September 30,	
	2017	2018
Other receivables	2,956	24,453
Value added tax	39,162	93,992
Total	**42,118**	**118,445**

4. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following:

	For the years ended September 30	
	2017	2018
Cost:	923,880	1,797,164
Buildings	40,167	40,167
Leasehold improvements	621,836	1,222,639
Furniture, fixtures and equipment used in apartments	249,964	512,597
Vehicle	444	1,710
Office furniture, fixtures and equipment	11,469	20,051
Less: Accumulated depreciation	(247,413)	(378,488)
Less: Impairment	(129,464)	(174,708)
Construction in progress	31,328	76,854
Property and equipment, net	578,331	1,320,822

Depreciation expenses were RMB 101,473, and RMB 151,543 for the years ended September 30, 2017 and 2018, respectively.

5. DEBT

The short-term and long-term debt as of September 30, 2017 and 2018 were as follows:

	As of September 30,	
	2017	2018
Short-term debt:		
Short-term bank borrowings(1)	9,000	60,000
Long-term bank borrowings, current portion(1)	108,131	56,087
Capital lease payable, current portion(2)	6,547	15,961
Subtotal	123,678	132,048
Long-term debt:		
Long-term bank borrowings, non-current portion(1)	132,263	76,176
Capital lease payable, non-current portion(2)	26,242	65,303
Other long term payable(3)	24,000	24,000
Subtotal	182,505	165,479
Total	**306,183**	**297,527**

(1) ***Bank borrowings***

On September 26, 2016, the Group entered into a three-year revolving bank credit facility with Shanghai Huarui Bank (the "SHRB") under which the Group can draw-down up to RMB300,000 by September 26, 2019. The interest rate for this credit facility was determined on the draw-down date. The weighted average interest rate for borrowings drawn under such credit facility was 6.7% and 7.5% per annum for the years ended September 30, 2017 and 2018. The credit facility is collateralized by future cash flows generated by rental service revenue of certain rental units of the Group.

On March 3, 2017, the Group entered into a one-year loan contract with Lujiazui International Trust Company Ltd. under which the Group borrowed RMB10,000. The interest rate for the loan was fixed at 8% per annum and the loan was collateralized by future cash flows generated by rental service revenue of certain rental units of the Group.

On June 19, 2017, the Group entered into a financing service contract with Shanghai Xiangzi Financial Information Service Company. Ltd., under which Shanghai Xiangzi Financial Information Service Company recommends individual investors to the Group and the Group can revolving draw-down up to RMB8,000 under this arrangement by September 19, 2018. The interest rate for the loan was fixed at 10% per annum. The loan with individual investors is collateralized by future cash flows generated by rental service revenue of certain rental units of the Group.

On June 13, 2017, the Group entered into a 10-year bank loan contract with China Merchants Bank under which the Group borrowed RMB17,210 to purchase buildings for administration office purposes. The loan was collateralized by the buildings purchased under this loan contract. The weighted average interest rate of the loan was 5.36% per annum for the years ended September 30, 2017 and 2018.

On February 23, 2018, the Group entered into a one-year bank revolving loan contract with China CITIC Bank under which the Group can draw-down up to RMB150,000 by June 2019. The interest rate for this credit facility was determined on the draw-down date and the credit facility was collateralized by future cash flows generated by rental service revenue of certain rental units of the Group. The weighted average interest rate of borrowings drawn under this agreement was 5.94% for the year ended September 30, 2018.

(2) ***Capital lease payable***

Certain leasehold improvements or furniture, fixtures and equipment used in apartments are held under capital lease arrangements, with aggregate initial value of RMB42,735 and RMB91,261 and carrying value of RMB27,155 and RMB70,339 as of September 30, 2017 and 2018 respectively.

Future minimum lease payments required under the capital lease arrangements are as follows:

	September 30, 2018
2019	21,853
2020	21,333
2021	20,811
2022	20,303
2023	13,542
	97,842
Less payment amount allocated to interest	16,578
Present value of capital lease obligation	**81,264**
Current portion of capital lease obligation	15,961
Long-term portion of capital lease obligation	65,303
	81,264

(3) Other long term payable

Amount represents loans from certain third party entities with no fixed term at an annual interest rate of 5%.

6. OPERATING COSTS

Operating costs include all direct costs incurred in the operation of the leased properties.

	For the years ended September 30,	
	2017	2018
Rental cost	414,217	664,732
Depreciation expenses	97,595	145,768
Personnel cost	15,511	21,092
Cost for value-added services and others	20,295	66,367
Total	547,618	897,959

7. PREFERRED SHARES

Before the Reorganization in May 2015, there were RMB4,000, RMB10,000 and RMB30,000 equity interests in Q&K Fashion that were subscribed by shareholders during February 2012, August 2013 and February 2014, respectively (collectively “Series A equity with preference rights”). As part of the Reorganization, the Company issued 255,549,510 Series A non-redeemable preferred shares, all in the same proportions, to its Series A equity with preference rights shareholders in exchange for their original equity interest in Q&K Fashion. The preference rights given to the shareholders of Series A-1, A-2 and A-3 non-redeemable preferred shares were substantially the same. The Group treated the issuance of Series A non-redeemable preferred shares as a new issuance and an extinguishment of the equity interest with preference rights existing before the Reorganization as the legal form between the two were different and the preference rights received were substantially different before and after the Reorganization leading to material changes in its fair value. As Series A non-redeemable

preferred shares were issued as part of the Reorganization with no cash consideration, the Company accounted for the difference between the fair value of the Series A non-redeemable preferred shares and the carrying value of the Series A equity with preference rights as deemed dividends to shareholders, and charged it against additional paid-in capital upon Reorganization.

In May 2015, the Company issued 160,000,000 series B convertible redeemable preferred shares at the price of US$0.125 per share to certain investors with a total consideration of US$20,000. The cash proceeds received was US$20,000, net of issuance costs of nil.

In July 2017, the Company issued an aggregate number of 120,000,000 series C convertible redeemable preferred shares at the price of US$0.25 per share to certain investors with a total consideration of US$30,000. The cash proceeds received was US$28,200, net of issuance costs of US$1,800.

In March 2018, the Company issued an aggregate number of 103,500,000 series C-1 convertible redeemable preferred shares at the price of US$0.29 per share to certain investors with a total consideration of US$30,000. The cash proceeds received was US$28,900, net of issuance costs of US$1,100.

The significant terms of Series A non-redeemable preferred shares, Series B convertible redeemable preferred shares, Series C convertible redeemable preferred shares, and Series C-1 convertible redeemable preferred shares (collectively the “Preferred Shares”) are summarized as follows:

Voting

The holders of the Preferred Shares shall vote together as one class on all resolutions. The holder of Preferred Shares has the number of votes as equal to the number of Class A ordinary shares then issuable upon their conversion into Class A ordinary shares.

Redemption rights

- Series B convertible redeemable preferred shares

At the request of the holders of Series B convertible redeemable preferred shares, the convertible redeemable preferred shares are redeemable at any time when the Company fails to complete a qualified IPO by the fourth anniversary of the Series B shares issue date or an IPO approval event occurs (i.e. the Series B shareholder becomes aware that the IPO will be subject to government approval and is not resolved within a set time period by written request of the Series B shareholder), at a redemption price at least equal to the higher of the subscription price plus an amount that gives a compounded annualized return of 12% per annum or the fair market value of such shares plus any and all declared but unpaid dividends.

- Series C/C-1 convertible redeemable preferred shares

At the request of the holders of Series C/C-1 holders of convertible redeemable preferred shares, the convertible redeemable preferred shares are redeemable at any time when the Company fails to complete a qualified IPO by June 30, 2021 or any material breach of the Transaction Documents (which includes the Shareholders’ Agreement and Amended and Restated Memorandum and Articles of Association) or a put notice is delivered by other series holders of the preferred shares, at a redemption price at least equal to the higher of the subscription price plus an amount that gives a compounded annualized return of 15% per annum or the fair market value of such shares plus any and all declared but unpaid dividends.

There are no redemption preference rights for holders of Series A non-redeemable preference shares.

Liquidation Preference

In the event of any voluntary or involuntary liquidation, Series C/C-1, B and A preference shareholders shall be entitled to receive, prior to the holders of the ordinary shares, at the amount representing the full subscription

price plus an amount that gives a compounded annualized return of 15%, 12% and nil respectively, of the subscription price plus all declared but unpaid dividends.

The liquidation preference is exercised in the sequence of Series C/C-1 convertible redeemable preferred shares, Series B convertible redeemable preferred shares and Series A non-redeemable preferred shares.

After distribution in full to the above preference shareholders, the remaining assets and funds of the Group that is legally available for distribution to the shareholders shall be distributed ratably amongst them in proportion to the number of ordinary shares held by them (on an as-converted basis).

In the event of any dissolution or winding up of the Group, sale, transfer, license, pledge or otherwise disposal of all, or substantially all, of the Company's assets, changes in the control of the Company or invalidation/termination of the VIE Agreements (collectively "Deemed Liquidation Event"), the liquidation sequence and preference amount is also the same as above.

Conversion

Each preferred share shall be convertible, at the option of the holder thereof, at any time into Class A ordinary shares. All outstanding Preferred Shares shall automatically be converted into Class A ordinary shares without the payment of any additional consideration, based on the then effective conversion rate at the time immediately upon (a) the occurrence of the qualified IPO, or (b) with respect to the Series A non-redeemable preferred shares, when specified by written consent or agreement of the holders of at least two thirds of Series A preferred shares or (c) with respect to the Series B redeemable preferred shares, when specified by written consent or agreement of holders of at least two thirds of Series B preferred shares.

Dividends

The holders of the Preferred Shares and ordinary shares are entitled to the dividend pari passu based on the number of shares they own on an as-converted basis once a dividend is authorized.

EBITDA performance targets for Series C and Series C-1 convertible redeemable preferred shares (the "EBITDA feature")

Along with the issuance of Series C and Series C-1 convertible redeemable preferred shares, the Group contemporaneously entered into agreements with its holders of Series C and Series C-1 convertible redeemable preferred shares on July 26, 2017 and March 16, 2018, respectively, pursuant to which for both share issuances, an EBITDA performance target were established. If EBITDA targets are exceeded, the preferred shareholders must give back a portion of its shareholding based on a pre-agreed formula to the managers of the Group as incentives with no additional consideration. If expected EBITDA targets are not met, the preferred shareholders were entitled to additional shareholding at par value based on a pre-agreed formula to make up for the dissatisfaction in EBITDA targets. If the Group is successful in completing a qualified IPO by December 31, 2019, the EBITDA feature is fully waived.

The Group believed that it was not probable EBITDA targets will be satisfied. The EBITDA feature is recorded separately as a contingent earn-out liability at fair value in the consolidated balance sheets as it met the definition of a freestanding financial instrument liability under ASC 480. At initial measurement, the Group allocated the proceeds from the issuance of Series C and C-1 convertible redeemable preferred shares to the fair value of contingent earn-out liabilities, with the remaining being allocated to Series C and C-1 convertible redeemable preferred shares. The contingent earn-out liabilities is re-measured at each period-end, with the changes in the fair value recorded as an adjustment to earnings. See Note 2.

Accounting for preferred shares

Given the key terms described above, the Group classified Series B, Series C, and Series C-1 convertible redeemable preferred shares as mezzanine equity. Series B convertible redeemable preferred shares were recorded at fair value on the issuance date whereas in the case for Series C and Series C-1 convertible redeemable preferred shares, the residual proceeds after allocation to the contingent earn-out liabilities were recorded at issuance date. The Group has determined that there were no beneficial conversion features ("BCF") attributable to these shares as effective conversion price was higher than the fair value of the ordinary shares on the commitment date. The Group determined the fair value of ordinary shares with the assistance of an independent third party valuation firm.

Holders of Series A non-redeemable preferred shares cannot trigger or otherwise require the Group to go through a Deemed Liquidation Event through either a representation on the Board of Directors or through other rights. Accordingly, given that there are no redemption or substantive liquidation preference rights for these preferred shareholders, Series A non-redeemable preferred shares were classified as permanent equity.

Except for Series A non-redeemable preferred shares, the Group accretes changes in the redemption value over the higher of the i) subscription price plus a pre-determined compounded annualized return set forth in the agreement and ii) fair market value. Changes in the redemption value are considered to be changes in accounting estimates. The accretion is recorded as deemed dividends to shareholders, and by charges against retained earnings, or in the absence of retained earnings, by charges against additional paid-in capital. Once additional paid-in capital has been exhausted, additional charges should be recorded by increasing the accumulated deficit.

The following is the roll forward of the carrying amounts of mezzanine equity for the years ended September 30, 2017 and 2018, respectively:

	RMB
Balance as of October 1, 2016	157,200
Issuance of Series C convertible redeemable preferred shares to investors	152,583
Accretion on Series B convertible redeemable preferred shares to redemption value	4,704
Accretion on Series C convertible redeemable preferred shares to redemption value	54,059
Balance as of September 30, 2017	368,546
Issuance of Series C-1 convertible redeemable preferred shares to investors	139,952
Accretion on Series B convertible redeemable preferred shares to redemption value	43,818
Accretion on Series C convertible redeemable preferred shares to redemption value	29,038
Accretion on Series C-1 convertible redeemable preferred shares to redemption value	62,689
Balance as of September 30, 2018	644,043

The following is the roll-forward of the carrying amounts of the contingent earn-out liability for the years ended September 30, 2017 and 2018, respectively:

	RMB
Balance as of October 1, 2016	—
Increase in accordance with Series C convertible redeemable preferred shares issuance	39,691
Fair value change included in earnings	5,165
Balance as of September 30, 2017	44,856
Increase in accordance with Series C-1 convertible redeemable preferred shares issuance	45,180
Fair value change included in earnings	(6,164)
Balance as of September 30, 2018	83,872

8. SHARE-BASED COMPENSATION

The Company utilized Yijia Inc., a company controlled by the Founder as a vehicle to hold shares that will be used to provide incentives and rewards to employees and executives who contribute to the success of the Company's operations. According to the Group's board resolutions, in July 2017 and March 2018, 86 million shares were reserved to Yijia Inc. Yijia Inc. has no activities other than administrating the incentive program and does not have any employees. On behalf of the Group and subject to approvals from the board or directors, the Founder has the authority to select eligible participants to whom equity awards will be granted; determine the number of shares covered; and establish the terms, conditions and provision of such awards. The board resolutions allow the grantees to hold options to purchase from the Yijia Inc. the equity shares of the Company.

All the share information disclosed in this section refers to the shares of the Group the grantees are entitled through Yijia Inc. shares. The related expenses are reflected in the Group's consolidated financial statements as share-based compensation expenses with an offset to additional paid-in capital. Given the shares owned by Yijia Inc. for the purpose of the incentive program are existing and outstanding shares of the Group, the options do not have any dilution effect on the loss per share (see Note 9).

Stock Option A

On August 31, 2014, April 21, 2016, October 17, 2016 and October 18, 2016, the Group granted an aggregate number of 26.86 million share options to certain management, employees and non-employees of the Group. Under the plan, the exercise price was US$0.31 (RMB2.00) per share and vests 50% on the first and second anniversary after the IPO date. All grantees were restricted from transferring more than 25% of its total converted ordinary shares each year after the exercise date. Given the vesting was contingent on the IPO, no share-based compensation expense is recognized until the date of the IPO.

Stock Option B

On July 31, 2017, the Group granted 43.14 million share options to management and employees of the Group. The options vested immediately upon the grant date and the exercise price were US$0.31 (RMB2.00) per share. All grantees were restricted from transferring its converted ordinary shares during certain periods subsequent to the IPO date (the "lock-up period"). If the grantee resigned from the Group before the IPO or during the lock-up period, the Group has the right to repurchase the share options or ordinary shares at the exercise price. The Group believes that the repurchase feature is effectively to require the employee to remain throughout the requisite period in order to receive any economic benefit from the award. As such, the repurchase feature functions as a vesting condition that is contingent on the IPO. No share-based compensation expense is recognized until the date of the IPO.

Binomial options pricing model was applied in determining the estimated fair value of the options granted. The model requires the input of highly subjective assumptions including the estimated expected stock price volatility and, the exercise multiple for which employees are likely to exercise share options. The estimated fair value of the ordinary shares, at the option grants, was determined with assistance from an independent third party valuation firm. The Group's management is ultimately responsible for the determination of the estimated fair value of its ordinary shares.

The following table presents the assumptions used to estimate the fair values of the share options granted in the years presented:

	April 2016	October 2016	July 2017
Risk-free rate of return	3.18%	3.18%	3.21%
Contractual life of option	10 years	10 years	8.4 years
Estimated volatility rate	37%	37%	35%
Expected dividend yield	0%	0%	0%
Fair value of underlying ordinary shares	US$ 0.03	US$ 0.04	US$ 0.05

A summary of option activity during the year ended September 30, 2017 and 2018 is presented below:

	Number of Options	Exercise Price RMB	Remaining Contractual Life	Intrinsic value of options RMB
Outstanding, as of October 1, 2016	26,450,000	2	7.92	—
Granted	43,550,000	2	—	
Forfeited	—	—	—	
Outstanding, as of September 30, 2017	70,000,000	2	8.73	—
Granted	—	—	—	
Forfeited	—	—	—	
Outstanding, as of September 30, 2018	70,000,000	2	7.73	—
Vested or expected to vest as of September 30, 2018	70,000,000	2	7.73	—

The Group recognized the compensation cost for the stock options on a straight line basis.

For the years ended September 30, 2017 and 2018, the Group recorded compensation expenses of RMB nil for the stock options granted.

Restricted Share Units ("RSU")

In 2017, the Group issued 15.99 million RSU to a consulting company, of which 5.2 million RSU vested immediately upon grant, and the Group has the right to repurchase the remaining 10.79 million RSU anytime at its discretion with nominal price before certain dates ("repurchase rights"). The Group determined RSU with repurchase rights are not considered issued until the expiration of such rights. At each of the expiration dates, the corresponding RSU are considered issued and vested immediately, and a measurement date has been reached.

Under such arrangement, the Group recorded 2.6 million, 2.6 million and 2.8 million RSU at the measurement date fair value of US$0.05, US$0.06 and US$0.10 on March 16, 2017, November 12, 2017 and April 1, 2018, respectively.

The fair value of RSU was determined by reference to the fair value of ordinary shares of the Group and was appraised by an independent valuation firm.

The total expenses recognized in the consolidated statements of comprehensive loss for the aforementioned RSUs granted were RMB775 and RMB2,252 respectively for the years ended September 30, 2017 and 2018.

9. LOSSES PER SHARE

The following table sets forth the computation of basic and diluted earnings per share for the years indicated:

	For the years ended September 30,	
	2017	2018
Numerator:		
Net loss attributable to Q&K International Group Limited	(245,475)	(499,859)
Deemed dividend	(58,763)	(135,545)
Net loss attributable to ordinary shareholders—basic and diluted	(304,238)	(635,404)
Denominator:		
Weighted average ordinary shares outstanding—basic and diluted	354,861,449	409,403,915
Net loss per share—basic and diluted	(0.86)	(1.55)

For the years ended September 30, 2017 and 2018, assumed conversion of the Preferred Shares or share options have not been reflected in the calculation of diluted net loss per share as their inclusion would have been anti-dilutive.

As described in Note 7, the Preferred Shares shall automatically convert into ordinary shares on a one-for-one basis immediately prior to the consummation of a qualified IPO. Accordingly, the Group has included the following unaudited pro forma financial information.

The unaudited pro forma consolidated balance sheets have been prepared as if the conversion of Preferred Shares into ordinary shares and extinguishment of contingent earn-out liabilities occurred on September 30, 2018. The unaudited pro forma net loss per share for the year ended September 30, 2018 giving effect to (1) the exclusion of the fair value change of contingent earn-out liabilities during the year ended September 30, 2018, and (2) the conversion of the convertible redeemable preferred shares and non-redeemable preferred shares into ordinary shares as if the conversion occurred as of October 1, 2017 or the issuance date (if issued within the year ended September 30, 2018), is as follows:

	For the year ended September 30, 2018
Numerator:	
Net loss attributable to ordinary shareholders	(635,404)
Add: Deemed dividend	135,545
Contingent earn-out liabilities*	(6,164)
Net loss attributable to ordinary shareholders for computing unaudited pro forma basic and diluted net loss per share	(506,023)
Denominator:	
Weighted average ordinary shares outstanding—basic and diluted	409,403,915
Add: Unaudited pro forma adjustments to reflect assumed conversion of Preferred Shares	588,008,414
Unaudited pro forma weighted-average ordinary shares outstanding—basic and diluted	997,412,329
Unaudited pro forma net loss per share—basic and diluted	(0.51)

* the amount has been revised from previously issued financial statements to exclude the effect of RMB 44,856 gain from assumed extinguishment of contingent earn-out liabilities.

10. INCOME TAXES

Cayman Islands

Under the current laws of the Cayman Islands, the Company, Q&K International Group Limited is not subject to tax on income or capital gain.

Hong Kong

QingKe (China) Limited is subject to Hong Kong profit tax at a rate of 16.5%. No Hong Kong profit tax has been provided as the Group has not had assessable profit that was earned in or derived from Hong Kong during the years presented.

United States of America

The Group’s subsidiary in the U.S. is registered in the state of Delaware and is subject to U.S. federal corporate marginal income tax rate of 21% and state income tax rate of 8.7% respectively.

PRC

Under the Law of the People's Republic of China on Enterprise Income Tax ("EIT Law"), which was effective from January 1, 2008, domestically-owned enterprises and foreign-invested enterprises are subject to a uniform tax rate of 25%.

Tax expense is comprised of the following:

	For the Years Ended September 30,	
	2017	2018
Current tax	596	2,393
Deferred tax	—	—
Total	596	2,393

A reconciliation between the effective income tax rate and the PRC statutory income tax rate are as follows:

	For the Years Ended September 30,	
	2017	2018
PRC statutory tax rate	25.0%	25.0%
Tax effect of other expenses that are not deductible in determining taxable profit	(1.7%)	(1.2%)
Effect of change in valuation allowance	(23.1%)	(24.3%)
Effective tax rate	(0.2%)	(0.5%)

The principal components of the Group's deferred income tax assets as of September 30, 2017 and 2018 are as follows:

	As of September 30,	
	2017	2018
Deferred tax assets:		
Net losses carryforward	46,934	103,403
Other accrued expenses	64,581	124,441
Advertising expenses	741	5,347
Valuation allowance	(112,256)	(233,191)
Total deferred tax assets	—	—

Movement of the valuation allowance is as follows:

Balance as of September 30, 2016	54,574
Addition	57,682
Write off	—
Balance as of September 30, 2017	112,256
Addition	120,935
Write off	—
Balance as of September 30, 2018	233,191

For the years ended September 30, 2017 and 2018, valuation allowance of RMB112,256 and RMB233,191 were provided, respectively. The Group considers positive and negative evidence to determine whether some portion or all of the deferred tax assets will more likely than not be realized. This assessment considers, among other matters, the nature, frequency and severity of recent losses, forecasts of future profitability, the duration of

statutory carryforward periods, the Group's experience with tax attributes expiring unused and tax planning alternatives. Valuation allowances have been established for deferred tax assets based on a more likely than not threshold. The Group's ability to realize deferred tax assets depends on its ability to generate sufficient taxable income within the carryforward periods provided for in the tax law.

As of September 30, 2018, the Group had tax loss carryforwards of RMB103,403 which will expire between 2019 and 2023 if not used.

According to the PRC Tax Administration and Collection Law, the statute of limitations is three years if the underpayment of income taxes is due to computational errors made by the taxpayer. The statute of limitations will be extended to five years under special circumstances, which are not clearly defined, but an underpayment of income tax liability exceeding RMB100 is specifically listed as a special circumstance. In the case of a transfer pricing related adjustment, the statute of limitations is ten years. There is no statute of limitations in the case of tax evasion. The Group's PRC subsidiaries are therefore subject to examination by the PRC tax authorities from 2014 through 2018 on non-transfer pricing matters, and from 2009 through 2018 on transfer pricing matters.

In accordance with the EIT Law, dividends, which arise from profits of foreign invested enterprises ("FIEs") earned after January 1, 2008, are subject to a 10% withholding income tax. In addition, under tax treaty between the PRC and Hong Kong, if the foreign investor is incorporated in Hong Kong and qualifies as the beneficial owner, the applicable withholding tax rate is reduced to 5%, if the investor holds at least 25% in the FIE, or 10%, if the investor holds less than 25% in the FIE. A deferred tax liability should be recognized for the undistributed profits of PRC subsidiaries unless the Company has sufficient evidence to demonstrate that the undistributed dividends will be reinvested and the remittance of the dividends will be postponed indefinitely. The Group plans to indefinitely reinvest undistributed profits earned from its China subsidiaries in its operations in the PRC. Therefore, no withholding income taxes for undistributed profits of the Group's subsidiaries have been provided as of September 30, 2017 and 2018.

Under applicable accounting principles, a deferred tax liability should be recorded for taxable temporary differences attributable to the excess of financial reporting basis over tax basis in a domestic subsidiary. However, recognition is not required in situations where the tax law provides a means by which the reported amount of that investment can be recovered tax-free and the enterprise expects that it will ultimately use that means. The Group completed its feasibility analysis on a method, which the Group will ultimately execute if necessary to repatriate the undistributed earnings of the VIE without significant tax costs. As such, the Group does not accrue deferred tax liabilities on the earnings of the VIE given that the Group will ultimately use the means.

Aggregate undistributed earnings of the Group's PRC subsidiaries and VIE that are available for distribution was not material as of September 30, 2017 and 2018.

11. STATUTORY RESERVES AND NET RESTRICTED ASSETS

The Company's ability to pay dividends is primarily dependent on the Company receiving distributions of funds from its subsidiaries. Relevant PRC statutory laws and regulations permit payments of dividends by the VIE and subsidiaries of the VIE incorporated in PRC only out of their retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. The consolidated results of operations reflected in the consolidated financial statements prepared in accordance with U.S. GAAP differ from those reflected in the statutory financial statements of the Company's subsidiaries.

Under PRC law, the Company's subsidiaries and consolidated VIEs located in the PRC (collectively referred as the ("PRC entities") are required to provide for certain statutory reserves, namely a general reserve, an enterprise expansion fund and a staff welfare and bonus fund. The PRC entities are required to allocate at least 10% of their after tax profits on an individual company basis as determined under PRC accounting standards to

the statutory reserve and has the right to discontinue allocations to the statutory reserve if such reserve has reached 50% of registered capital on an individual company basis. In addition, the registered capital of the PRC entities is also restricted.

Amounts restricted including paid-in capital and statutory reserve funds as determined pursuant to PRC Laws were RMB619,140 and RMB942,440 as of September 30, 2017 and 2018 respectively.

12. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

The following entities are considered to be related parties to the Group. The related parties mainly act as service providers and service recipients to the Group. The Group is not obligated to provide any type of financial support to these related parties.

Related Party	Relationship with the Group
Shanghai Yijia Chuangye Investment Center LLP (“Yijia Chuangye”)	An entity controlled by Founder and CEO of the Group
Shanghai Laiguan Property Management Co., Ltd. (“Laiguan”)	An entity controlled by certain management of the Group
Shanghai Q&K Fashion Life Co., Ltd. (“Q&K Fashion”)	An entity controlled by Founder and CEO of the Group
Shanghai Qingke Robot Technology Co., Ltd. (“Robot”)	An affiliate of Founder and CEO of the Group
Shanghai Yijia Property Management Co., Ltd. (“Yijia Property”)	An entity controlled by certain shareholders of the Group
Shanghai Xulong Trading Co., Ltd. (“Xulong”)	An entity controlled by the parents of Founder and CEO of the Group
Shanghai Youzhen Information Technology Co., Ltd. (“Youzhen”)	An entity controlled by the parents of Founder and CEO of the Group
Shanghai Qingji Property Management Co., Ltd. (“Qingji”)	An entity controlled by certain management of the Group

The Group entered into the following transactions with its related parties:

For the years ended September 30, 2017 and 2018, services provided by the related parties were RMB91,912 and RMB210,963, respectively**:**

	For the Years Ended September 30,	
	2017	2018
Purchases of property and equipment from Xulong	6,040	77,676
Labor outsourcing service expense to Laiguan	35,947	48,861
Labor outsourcing service expense to Qingji	—	19,258
Value-added service cost to Robot	3,266	42,352
Storage and logistic service expense to Xulong	6,218	14,298
Marketing service expense to Xulong	—	8,364
Research and development expense to Robot	40,441	154
Total	**91,912**	**210,963**

As of September 30, 2017 and 2018, amounts due from related parties were RMB12,541 and RMB22,505, respectively, and details are as follows:

	As of September 30,	
	2017	2018
Robot[(i)]	—	8,969
Q&K Fashion[(ii)]	8,000	7,978
Yijia Chuangye[(ii)]	4,400	4,400
Laiguan	—	988
Youzhen	97	125
Others	44	45
Total	**12,541**	**22,505**

(i) The Group paid advances to Robot for providing value-added services.
(ii) Represents related party loans to Yijia Chuangye and Q&K Fashion, which were interest free and payable on demand.

As of September 30, 2017 and 2018, amounts due to related parties were RMB25,297 and RMB32,219, respectively, and details are as follows:

	As of September 30,	
	2017	2018
Xulong	4,057	31,470
Yijia Property	409	749
Robot	20,629	—
Laiguan	202	—
Total	**25,297**	**32,219**

13. COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments

The Group has entered into lease agreements for properties which it operates. Such leases are classified as operating leases. Future minimum lease payments under non-cancellable operating lease agreements at September 30, 2018 were as follows:

2019	947,047
2020	942,742
2021	880,325
2022	894,500
2023	906,448
Thereafter	2,158,559
Total	**6,729,621**

(b) Purchase Commitments

As of September 30, 2018, the Group's commitments related to leasehold improvements and installation of equipment for RMB58,925, which is expected to be incurred within one year.

(c) Contingencies

The Group is subject to periodic legal or administrative proceedings in the ordinary course of business. The Group does not believe that any currently pending legal or administrative proceeding to which the Group is a party will have a material effect on its business or financial condition.

14. SUBSEQUENT EVENTS

The Group evaluated subsequent events through June 28, 2019, the date on which these financial statements were issued.

During June 2019, the Group has issued an additional 273,360,850 Series C-2 preferred shares to the same holder of Series C-1 convertible redeemable preferred shares for a total cash consideration of US$83,250. The key terms are similar to that of Series C/C-1 convertible redeemable preferred shares as stated in Note 7.

ADDITIONAL FINANCIAL INFORMATION—FINANCIAL STATEMENT SCHEDULE I
Q&K INTERNATIONAL GROUP LIMITED FINANCIAL INFORMATION FOR PARENT COMPANY

CONDENSED BALANCE SHEETS
(Renminbi in thousands, except share data and per share data, unless otherwise stated)

	As of September 30,		
	2017	2018	2018
	RMB	RMB	USD Note 4
Assets			
Cash and cash equivalents	206,310	49,880	7,266
Other receivables, deposits and other assets	1	1	—
Amounts due from subsidiaries and consolidated VIEs	1	344,580	50,194
Total assets	**206,312**	**394,461**	**57,460**
Liabilities			
Accrued expenses and other current liabilities	6,722	6,020	877
Contingent earn-out liabilities	44,856	83,872	12,217
Deficit of investments in subsidiaries and consolidated VIEs	598,539	1,101,475	160,448
Total liabilities	**650,117**	**1,191,367**	**173,542**
Series B convertible redeemable preferred shares (US$0.00001 par value, 160,000,000 shares authorized, issued and outstanding; liquidation value of RMB180,636 and RMB202,312 as of September 30, 2017 and 2018, respectively)	161,904	205,723	29,967
Series C convertible redeemable preferred shares (US$0.00001 par value, 120,000,000 shares authorized, issued and outstanding; liquidation value of RMB210,896 and RMB242,530 as of September 30, 2017 and 2018, respectively)	206,642	235,681	34,331
Series C-1 convertible redeemable preferred shares (US$0.00001 par value, 103,500,000 shares authorized, issued and outstanding; liquidation value of RMB221,064 as of September 30, 2018)	—	202,639	29,518
Total mezzanine equity	**368,546**	**644,043**	**93,816**
Shareholders' deficit:			
Ordinary shares	24	27	4
Series A non-redeemable preferred shares	35,777	35,777	5,212
Accumulated deficits	(845,314)	(1,478,466)	(215,363)
Accumulated other comprehensive (loss) income	(2,838)	1,713	250
Total shareholders' deficit	**(812,351)**	**(1,440,949)**	**(209,897)**
Total liabilities, mezzanine equity and shareholders' deficit	**206,312**	**394,461**	**57,461**

CONDENSED STATEMENTS OF COMPREHENSIVE LOSS

(Renminbi in thousands, unless otherwise stated)

	For the Years Ended September 30,		
	2017	2018	2018
	RMB	RMB	USD Note 4
General and administrative expenses	(1,571)	(5,247)	(764)
Interest income	—	2,144	312
Fair value change of contingent earn-out liabilities	(5,165)	6,164	898
Loss (income) from operations	(6,739)	3,013	439
Equity in losses of subsidiaries and consolidated VIEs	(238,700)	(502,935)	(73,261)
Net loss	(245,439)	(499,922)	(72,822)
Foreign currency translation adjustments	(2,838)	4,551	663
Deemed dividend	(58,763)	(135,547)	(19,745)
Comprehensive loss	(307,040)	(630,918)	(91,904)

CONDENSED STATEMENTS OF CASH FLOWS
(Renminbi in thousands, unless otherwise stated)

	For the Years Ended September 30,		
	2017	2018	2018
	RMB	RMB	USD Note 4
Net cash (used in) provided by operating activities	14,103	(3,805)	(554)
Net cash used in investing activities	—	(341,213)	(49,703)
Net cash provided by financing activities	192,277	185,133	26,968
Effect of exchange rate changes	(237)	3,455	503
Net increase (decrease) in cash and cash equivalents	206,143	(156,430)	(22,786)
Cash and cash equivalents at the beginning of the year	167	206,310	30,053
Cash and cash equivalents at the end of the year	206,310	49,880	7,267

Note to Schedule I

1. Schedule I has been provided pursuant to the requirements of Rule 12-04(a) and 5-04(c) of Regulation S-X, which require condensed financial information as to the financial position, changes in financial position and results of operations of a parent company as of the same date and for the same period for which audited consolidated financial statements have been presented when the restricted net assets of consolidated subsidiaries exceed 25 percent of consolidated net assets as of the end of the most recently completed fiscal year. The Company does not include condensed financial information as to the changes in deficit as such financial information is the same as the consolidated statements of changes in shareholders' deficit.

2. The condensed financial information has been prepared using the same accounting policies as set out in the consolidated financial statements except that the equity method has been used to account for investments in its subsidiaries and consolidated VIEs. For the parent company, the Company records its investments in subsidiaries and consolidated VIEs under the equity method of accounting as prescribed in ASC 323, Investments—Equity Method and Joint Ventures. Such investments are presented on the Condensed Balance Sheets as ''Investments in subsidiaries and consolidated VIEs'' and the subsidiaries and consolidated VIEs' losses as ''Equity in losses of subsidiaries and consolidated VIEs'' on the Condensed Statements of Comprehensive Loss. Ordinarily under the equity method, an investor in an equity method investee would cease to recognize its share of the losses of an investee once the carrying value of the investment has been reduced to nil absent an undertaking by the investor to provide continuing support and fund losses. For the purpose of Schedule I, the parent company has continued to reflect its share, based on its proportionate interest, the losses of subsidiaries and consolidated VIEs regardless of the carrying value of the investment even though the parent company is not obligated to provide continuing support or fund losses.

3. For the years ended September 30, 2017 and 2018, there were no material contingencies, significant provisions of long-term obligations, guarantees of the Company.

4. Translations of balances in the additional financial information of Parent Company—Financial Statements Schedule I from RMB into US$ as of and for the year ended September 30, 2018 are solely for the convenience of the readers and were calculated at the rate of US$1.00= RMB6.865, as set forth in H.10 statistical release of the Federal Reserve Board on June 28, 2019. The translation is not intended to imply that the RMB amounts could have been, or could be, converted, realized or settled into United States dollars at that rate on June 28, 2019, or at any other rate.

Q&K INTERNATIONAL GROUP LIMITED
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(Renminbi in thousands, except for share and per share data, unless otherwise stated)

	As of				
	September 30, 2018	June 30, 2019		June 30, 2019	
	RMB	RMB	USD (Note 2)	RMB (unaudited pro forma)	USD (Note 2)
ASSETS					
Current assets:					
Cash and cash equivalents	103,752	342,187	49,845	342,187	49,845
Restricted cash	15,000	108,434	15,795	108,434	15,795
Accounts receivable, net of allowance of nil as of September 30, 2018 and June 30, 2019	475	998	149	998	149
Amounts due from related parties	22,505	7,427	1,082	7,427	1,082
Prepaid rent and deposit	170,683	137,864	20,082	137,864	20,082
Advances to suppliers	17,079	62,116	9,048	62,116	9,048
Other current assets	118,445	120,353	17,531	120,353	17,531
Total current assets	447,939	779,379	113,532	779,379	113,532
Non-current assets:					
Property and equipment, net	1,320,822	1,244,034	181,214	1,244,034	181,214
Intangible assets, net	1,232	703	102	703	102
Land use rights	11,021	10,806	1,574	10,806	1,574
Other assets	389	261	38	261	38
Total non-current assets	1,333,464	1,255,804	182,928	1,255,804	182,928
Total assets	1,781,403	2,035,183	296,460	2,035,183	296,460
LIABILITIES, MEZZANINE EQUITY AND SHAREHOLDERS' DEFICIT					
LIABILITIES (including amounts of the consolidated VIEs without recourse to the Company, see Note 2)					
Current liabilities:					
Accounts payable	430,989	308,813	44,984	308,813	44,984
Amounts due to related parties	32,219	308	45	308	45
Deferred revenue	61,051	72,441	10,552	72,441	10,552
Short-term debt	132,048	222,829	32,459	222,829	32,459
Rental installment loans	1,108,097	872,628	127,113	872,628	127,113
Deposits from tenants	113,325	144,582	21,061	144,582	21,061
Accrued expenses and other current liabilities	92,154	98,524	14,352	98,524	14,352
Total current liabilities	1,969,883	1,720,125	250,566	1,720,125	250,566
Non-current liabilities:					
Long-term debt	165,479	508,348	74,049	508,348	74,049
Long-term deferred rent	341,303	378,416	55,123	378,416	55,123
Contingent earn-out liabilities	83,872	96,443	14,049	—	—
Total non-current liabilities	590,654	983,207	143,221	886,764	129,172
Total liabilities	2,560,537	2,703,332	393,787	2,606,889	379,738
Commitments and contingencies (Note 13)					

Q&K INTERNATIONAL GROUP LIMITED
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(Renminbi in thousands, except for share and per share data, unless otherwise stated)

	As of				
	September 30, 2018	June 30, 2019		June 30, 2019	
	RMB	RMB	USD (Note 2)	RMB (unaudited pro forma)	USD (Note 2)
Mezzanine equity:					
Series B convertible redeemable preferred shares (US$0.00001 par value, 160,000,000 shares authorized, issued and outstanding; liquidation value of RMB202,312 and RMB220,475 as of September 30, 2018 and June 30, 2019, respectively)	205,723	246,680	35,933	—	—
Series C convertible redeemable preferred shares (US$0.00001 par value, 120,000,000 shares authorized, issued and outstanding; liquidation value of RMB242,530 and RMB269,595 as of September 30, 2018 and June 30, 2019, respectively)	235,681	262,519	38,240	—	—
Series C-1 convertible redeemable preferred shares (US$0.00001 par value, 103,500,000 shares authorized, issued and outstanding; liquidation value of RMB221,064 and RMB237,104 as of September 30, 2018 and June 30, 2019)	202,639	227,101	33,081	—	—
Series C-2 convertible redeemable preferred shares (US$0.00001 par value, 273,360,850 shares authorized, issued and outstanding; liquidation value of RMB579,023 as of June 30, 2019)	—	566,927	82,582	—	—
Total mezzanine equity	644,043	1,303,227	189,836	—	—
Shareholders' deficit:					
Ordinary shares (US$0.00001 par value per share; 3,500,000,000 shares authorized; 430,450,490 and 430,450,490 shares issued and outstanding as of September 30, 2018 and June 30, 2019)	27	27	4	67	10
Series A non-redeemable preferred shares (US$0.00001 par value; 255,549,510 shares authorized, issued and outstanding as of September 30, 2018 and June 30, 2019)	35,777	35,777	5,212	—	—
Additional paid-in capital	—	—	—	1,338,963	195,042
Accumulated deficit	(1,478,466)	(2,028,550)	(295,492)	(1,932,106)	(281,443)
Accumulated other comprehensive income	1,713	11,673	1,700	11,673	1,700
Total Q&K International Group Limited shareholders' deficit	(1,440,949)	(1,981,073)	(288,576)	(581,403)	(84,691)
Noncontrolling interest	17,772	9,697	1,413	9,697	1,413
Total shareholder's deficit	(1,423,177)	(1,971,376)	(287,163)	(571,706)	(83,278)
Total liabilities, mezzanine equity and shareholders' deficit	1,781,403	2,035,183	296,460	2,035,183	296,460

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Q&K INTERNATIONAL GROUP LIMITED
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Renminbi in thousands, except for share and per share data, unless otherwise stated)

	For the nine months ended June 30,		
	2018	2019	
	RMB	RMB	USD (Note 2)
Net revenues:			
Rental service	538,652	792,746	115,476
Value-added services and others	54,372	105,192	15,323
Total net revenues	593,024	897,938	130,799
Operating costs and expenses:			
Operating cost (including costs charged by related parties of RMB45,183 and RMB44,777 for the nine months ended June 30, 2018 and 2019, respectively)	(601,906)	(959,080)	(139,706)
Selling and marketing expenses (including expenses charged by related parties of RMB15,662 and RMB45,871 for the nine months ended June 30, 2018 and 2019, respectively)	(75,462)	(102,111)	(14,874)
General and administrative expenses	(57,774)	(76,037)	(11,076)
Research and development expenses (including expenses charged by related parties of RMB154 and nil for the nine months ended June 30, 2018 and 2019, respectively)	(38,145)	(38,380)	(5,591)
Pre-operation expenses (including expenses charged by related parties of RMB18,696 and RMB10,515 for the nine months ended June 30, 2018 and 2019, respectively)	(88,963)	(37,066)	(5,399)
Impairment loss	(20,554)	(33,396)	(4,865)
Other income (expense), net	1,129	460	67
Total operating costs and expenses	(881,675)	(1,245,610)	(181,444)
Loss from operations	(288,651)	(347,672)	(50,645)
Interest income (expense), net	(55,896)	(67,907)	(9,892)
Foreign exchange loss	(91)	(960)	(140)
Fair value change of contingent earn-out liabilities	23,398	43,378	6,319
Loss before income taxes	(321,240)	(373,161)	(54,358)
Income tax expense	(2,376)	(40)	(6)
Net loss	(323,616)	(373,201)	(54,364)
Less: net loss attributable to noncontrolling interests	(48)	(75)	(11)
Net loss attributable to Q&K International Group Limited	(323,568)	(373,126)	(54,353)
Deemed dividend	(91,826)	(185,131)	(26,967)
Net loss attributable to ordinary shareholders	(415,394)	(558,257)	(81,320)
Net loss per share attributable to ordinary shareholders of Q&K International Group Limited—Basic and diluted	(1.03)	(1.30)	(0.19)
Weighted average number of ordinary shares used in computing net loss per share—Basic and diluted	402,311,296	430,450,490	430,450,490
Unaudited pro forma net loss per ordinary share (Note 9)	—	(0.38)	(0.06)
Unaudited pro forma weighted average shares used in calculating net loss per ordinary share—Basic and diluted	—	1,096,535,688	1,096,535,688

Q&K INTERNATIONAL GROUP LIMITED
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(Renminbi in thousands, except for share and per share data, unless otherwise stated)

	For the nine months ended June 30,		
	2018	2019	
	RMB	RMB	USD (Note 2)
Net loss	(323,616)	(373,201)	(54,364)
Other comprehensive income (loss), net of tax of nil:			
Foreign currency translation adjustments	(807)	9,960	1,451
Comprehensive loss	(324,423)	(363,241)	(52,913)
Less: comprehensive loss attributable to noncontrolling interests	(48)	(75)	(11)
Comprehensive loss attributable to Q&K International Group Limited	(324,375)	(363,166)	(52,902)
Deemed dividend	(91,826)	(185,131)	(26,967)
Comprehensive loss attributable to ordinary shareholders	(416,201)	(548,297)	(79,869)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Q&K INTERNATIONAL GROUP LIMITED
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT
(Renminbi in thousands, except for share data, unless otherwise stated)

	Q&K International Group Limited shareholders' deficit									
	Ordinary shares		Series A non-redeemable preferred shares		Additional paid in capital	Accumulated other comprehensive (loss) income	Accumulated deficit	Total	Noncontrolling interests	Total shareholders' deficit
	Number of shares	Amount	Number of shares	Amount						
Balance at October 1, 2017	384,450,490	24	255,549,510	35,777	—	(2,838)	(845,314)	(812,351)	17,835	(794,516)
Capital contribution	46,000,000	3	—	—	—	—	—	3	—	3
Share-based compensation	—	—	—	—	2,252	—	—	2,252	—	2,252
Deemed dividend accretion	—	—	—	—	(2,252)	—	(89,574)	(91,826)	—	(91,826)
Net loss	—	—	—	—	—	—	(323,568)	(323,568)	(48)	(323,616)
Foreign currency translation adjustments	—	—	—	—	—	(807)	—	(807)	—	(807)
Balance at June 30, 2018	430,450,490	27	255,549,510	35,777	—	(3,645)	(1,258,456)	(1,226,297)	17,787	(1,208,510)
Balance at October 1, 2018	430,450,490	27	255,549,510	35,777	—	1,713	(1,478,466)	(1,440,949)	17,772	(1,423,177)
Acquisition of noncontrolling interests	—	—	—	—	—	—	—	—	(8,000)	(8,000)
Share-based compensation	—	—	—	—	8,173	—	—	8,173	—	8,173
Deemed dividend accretion	—	—	—	—	(8,173)	—	(176,958)	(185,131)	—	(185,131)
Net loss	—	—	—	—	—	—	(373,126)	(373,126)	(75)	(373,201)
Foreign currency translation adjustments	—	—	—	—	—	9,960	—	9,960	—	9,960
Balance at June 30, 2019	430,450,490	27	255,549,510	35,777	—	11,673	(2,028,550)	(1,981,073)	9,697	(1,971,376)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Q&K INTERNATIONAL GROUP LIMITED
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Renminbi in thousands, unless otherwise stated)

	For the nine months ended June 30,		
	2018	2019	
	RMB	RMB	USD (Note 2)
Operating activities:			
Net loss	(323,616)	(373,201)	(54,364)
Adjustments to reconcile net income to net cash provided by operating activities:			
Share-based compensation	2,252	8,173	1,191
Depreciation and amortization	103,736	159,180	23,187
Accretion of interest expense	8,965	15,415	2,245
Fair value change of contingent earn-out liabilities	(23,398)	(43,378)	(6,319)
Deferred rent	139,729	37,113	5,406
Impairment loss	20,554	33,396	4,865
Changes in operating assets and liabilities:			
Accounts receivable	73	(523)	(76)
Amounts due from related parties	12,988	15,078	2,196
Prepaid rent and deposit	(31,650)	38,008	5,537
Advances to suppliers	(9,653)	4,314	628
Other current assets	26,562	8,158	1,189
Other assets	(258)	128	19
Accounts payable	(19,760)	25,344	3,692
Amounts due to related parties	(25,297)	(31,911)	(4,648)
Deferred revenue	46,418	11,390	1,659
Deposits from tenants	16,084	31,257	4,553
Accrued expenses and other current liabilities	(41,792)	6,370	927
Net cash used in operating activities	(98,063)	(55,689)	(8,113)
Investing activities:			
Purchases of property and equipment	(482,311)	(287,707)	(41,909)
Cash payment for renovation	—	(17,102)	(2,491)
Reimbursement received for renovation payment	—	17,102	2,491
Net cash used in investing activities	(482,311)	(287,707)	(41,909)
Financing activities:			
Proceeds from issuance of ordinary shares	3	—	—
Proceeds from short-term debt	70,886	30,009	4,371
Repayment of short-term debt	(48,000)	(60,000)	(8,740)
Proceeds from long-term debt	—	170,000	24,763
Repayment of long-term debt	(37,650)	(28,607)	(4,167)
Proceeds from rental installment loans	1,395,214	840,511	122,434
Repayment of rental installment loans	(1,051,234)	(1,081,758)	(157,576)
Acquisition of noncontrolling interests	—	(8,000)	(1,165)
Proceeds from issuance of preferred shares, net of issuance costs	185,132	530,002	77,203
Proceeds from capital lease and other financing arrangement payable	—	320,531	46,690
Repayment of capital lease and other financing arrangement payable	—	(37,302)	(5,434)
Net cash provided by financing activities	514,351	675,386	98,379
Effect of foreign exchange rate changes	(484)	(121)	(15)
Net (decrease) increase in cash, cash equivalents and restricted cash	(66,507)	331,869	48,342
Cash, cash equivalents and restricted cash at the beginning of the period	367,115	118,752	17,298
Cash, cash equivalents and restricted cash at the end of the period	300,608	450,621	65,640
Supplemental disclosure of cash flow information:			
Interest paid, net of amounts capitalized	(57,407)	(59,697)	(8,696)
Income taxes paid	(1,214)	(57)	(8)
Reconciliation to amounts on the unaudited condensed consolidated balance sheets:			
Cash and cash equivalents	286,608	342,187	49,845
Restricted cash	14,000	108,434	15,795
Total cash, cash equivalents and restricted cash	300,608	450,621	65,640
Supplemental schedule of non-cash investing and financing activities:			
Purchases of property and equipment included in payables	(369,924)	(276,119)	(40,221)
Purchases of property and equipment included in new capital lease	—	(17,102)	(2,491)

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Q&K INTERNATIONAL GROUP LIMITED
NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Renminbi in thousands, except for share data and per share data, unless otherwise stated)

1. ORGANIZATION AND PRINCIPAL ACTIVITIES

Q&K International Group Limited (the "Company" or "Q&K"), its subsidiaries and consolidated variable interest entities (the "Group") is a rental apartment operation platform in the People's Republic of China (the "PRC"), that provides rental and value-added services to young, emerging urban residents since 2012. The Group sources and converts apartments to standardized furnished rooms and leases to young people seeking affordable residence in cities in the PRC.

2. SUMMARY OF PRINCIPAL ACCOUNTING POLICIES

Basis of presentation

The accompanying unaudited interim condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The accompanying unaudited interim condensed consolidated financial statements include the financial information of the Group. All intercompany balances and transactions have been eliminated in consolidation. The unaudited interim condensed consolidated financial statements have been prepared in accordance with the rules and regulations of the Security and Exchange Commission and U.S. generally accepted accounting standards for interim financial reporting. Certain information and note disclosures normally included in the consolidated financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. As such, the accompanying unaudited interim condensed consolidated financial statements should be read in conjunction with the financial statements, accounting policies and notes thereto included in the Group's audited consolidated financial statements for each of the two years in the period ended September 30, 2018. The results of operations for the nine months ended June 30, 2018 and 2019 are not necessarily indicative of the results for the full years.

In the opinion of the management, the accompanying unaudited interim condensed consolidated financial statements reflect all normal recurring adjustments, which are necessary for a fair presentation of financial results for the interim periods presented. The Group believes that the disclosures are adequate to make the information presented not misleading. The accompanying unaudited interim condensed consolidated financial statements have been prepared using the same accounting policies as used in the preparation of the Group's consolidated financial statements for each of the two years in the period ended September 30, 2018. The financial information as of September 30, 2018 presented in the unaudited interim condensed consolidated financial statements is derived from the audited consolidated financial statements for the year ended September 30, 2018.

The accompanying unaudited condensed consolidated financial statements have been prepared assuming that the Group will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The realization of assets and the satisfaction of liabilities in the normal course of business are dependent on, among other things, the Group's ability to generate cash flows from operations, and the Group's ability to arrange adequate financing arrangements, to support its working capital requirements.

The Group has been incurring losses from operations since its inception. Accumulated deficits amounted to RMB1,478,466 and RMB2,028,550 as of September 30, 2018 and June 30, 2019, respectively. Net cash used in operating activities were RMB98,063 and RMB55,689 for the nine months ended June 30, 2018 and 2019, respectively. As of September 30, 2018 and June 30, 2019, current liabilities exceeded current assets by RMB1,521,944 and RMB940,746, respectively. These factors raise substantial doubt about the Group's ability to continue as a going concern. The financial statements do not include any adjustments that might be necessary if the Group is unable to continue as a going concern.

These factors are mitigated by the following plans and actions:

- In March 2019, the Group obtained RMB2,000,000 credit facility with a three-year term from a PRC commercial bank to support the Group's operations, of which RMB1,000,000 is for rental installment loans.
- Of the remaining RMB1,000,000 of the above credit facility, RMB450,000 is contractually restricted for the payment for renovation expenditure and daily operations, and RMB550,000 for supply chain funding. Based on the Group's historical experience, renovation and supply chain funding requests will be approved in the normal course of business provided that the Group submits the required supporting documentation and the amount is within the credit limit granted;
- As of August 31, 2019, the Group still had unused facilities of approximately RMB1,300,000.

In addition, since August 2018, the Group has cooperated with a rental service company owned by a bank to source and renovate apartments under capital lease and other financing arrangements, and also from February 2019, the Group initiated an "assets light strategy" by sourcing decorated and furnished apartments from landlords, which reduced the need for additional capital expenditures for apartment renovations. The Group considers these strategies will reduce the needs to use the rental installment loans to fund the pre-operation and renovation costs going forward which will help the Group's liquidity situation. The balance of rental installment loans has decreased from RMB1,108,097 as of September 30, 2018 to RMB872,628 as of June 30, 2019.

Based on the above factors, management believes that adequate sources of liquidity exist to fund the Group's working capital and capital expenditures requirements, and to meet its other liabilities and commitments as they become due for at least twelve months from the issuance of these financial statements.

Principles of consolidation

The unaudited condensed consolidated financial statements include the financial statements of the Company, its subsidiaries and consolidated variable interest entities. All intercompany transactions and balances are eliminated on consolidation.

To comply with the PRC law and regulations which restrict foreign ownership of companies that provide value-added telecommunication services in the PRC, the Company through its wholly-owned foreign subsidiary, Q&K Investment Consulting Co., Ltd. entered into VIE agreements with Shanghai Qingke E-Commerce Co., Ltd. ("Q&K E-Commerce") and its respective shareholders through which the Company became the primary beneficiary of Q&K E-Commerce and its subsidiaries.

These contractual arrangements allow the Group to effectively control Q&K E-commerce and its subsidiaries, and to derive substantially all of the economic benefits from them. Accordingly, the Group treats Q&K E-commerce and its subsidiaries as VIEs. Because the Group is the primary beneficiary, the Group has consolidated the financial results of the VIE.

The following financial statement amounts and balances of the VIE and its subsidiaries were included in the accompanying unaudited condensed consolidated financial statements after elimination of intercompany transactions and balances:

	As of		
	September 30, 2018	June 30, 2019	
	RMB	RMB	USD (Note 2)
ASSETS			
Cash and cash equivalents	49,977	22,636	3,297
Restricted cash	15,000	108,434	15,795
Accounts receivable, net	473	998	146
Amounts due from related parties	22,503	7,427	1,082
Prepaid rent and deposit	169,021	136,540	19,889
Advances to suppliers	13,514	62,116	9,048
Other current assets	113,835	120,353	17,531
Property and equipment, net	1,273,871	1,216,071	177,141
Intangible assets, net	1,073	510	74
Land use rights	11,021	10,806	1,574
Other assets	207	124	18
Total assets	**1,670,495**	**1,686,015**	**245,595**
Liabilities			
Accounts payable	430,963	308,813	44,984
Amounts due to related parties	32,179	308	45
Deferred revenue	61,051	72,441	10,552
Short-term debt	132,048	222,829	32,459
Rental installment loans	1,108,097	872,628	127,113
Deposits from tenants	113,325	144,582	21,061
Accrued expenses and other current liabilities	87,468	89,546	13,044
Long-term debt	165,479	508,348	74,049
Long-term deferred rent	341,303	378,416	55,123
Total liabilities	**2,471,913**	**2,597,911**	**378,430**

	For the nine months ended June 30		
	2018	2019	
	RMB	RMB	USD (Note 2)
Net revenues	593,024	897,938	130,799
Net loss	(182,499)	(150,635)	(21,942)

	For the nine months ended June 30		
	2018	2019	
	RMB	RMB	USD (Note 2)
Net cash provided by operating activities	124,161	208,416	30,361
Net cash used in investing activities	(479,273)	(287,707)	(41,909)
Net cash provided by financing activities	329,221	145,384	21,176

The consolidated VIEs contributed 100% of the Group's consolidated revenues for the nine months ended June 30, 2018 and 2019. As of September 30, 2018 and June 30, 2019, the consolidated VIEs accounted for an aggregate of 94% and 83%, respectively, of the Group's consolidated total assets, and 97% and 96%, respectively, of the Group's consolidated total liabilities. The assets outside of the consolidated VIEs mainly consist of cash and property and equipment. The liabilities outside of the consolidated VIEs mainly consist of contingent earn-out liabilities.

There are no consolidated assets of the VIE that are collateral for the obligations of the VIE and their subsidiaries and can only be used to settle the obligations of the VIE and their subsidiaries. There are no terms in any arrangements, considering both explicit arrangements and implicit variable interests that require the Company or its subsidiaries to provide financial support to the VIE. However, if the VIE were ever to need financial support, the Group may, at its option and subject to statutory limits and restrictions, provide financial support to its VIE through loans to the shareholders of the VIE.

The Group believes that there are no assets held in the VIE that can be used only to settle obligations of the VIE, except for registered capital and the PRC statutory reserves. As the VIE is incorporated as a limited liability company under the PRC Company Law, creditors of the VIE do not have recourse to the general credit of the Company for any of the liabilities of the VIE. Relevant PRC laws and regulations restrict the VIE from transferring a portion of their net assets, equivalent to the balance of its statutory reserve and its share capital, to the Company in the form of loans and advances or cash dividends. Please refer to Note 11 for disclosure of restricted net assets.

Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ materially from those estimates. The Group bases its estimates on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Significant accounting estimates reflected in the Group's unaudited condensed consolidated financial statements include the useful lives and impairment of property and equipment, valuation allowance of deferred tax assets, share-based compensation, contingent earn-out liabilities, convertible redeemable preferred shares and Series A non-redeemable preferred shares.

Convenience translation

The Group's business is primarily conducted in the PRC and all of the revenues are denominated in RMB. The financial statements of the Group are stated in RMB. Translations of balances in the unaudited condensed consolidated balance sheet, and the related unaudited condensed consolidated statements of operations, shareholders' equity and cash flows from RMB into US dollars as of and for the nine months ended June 30, 2019 are solely for the convenience of the readers and were calculated at the rate of USD1.00=RMB 6.8650, representing the noon buying rate set forth in the H.10 statistical release of the U.S. Federal Reserve Board on June 28, 2019. No representation is made that the RMB amounts could have been, or could be, converted, realized or settled into USD at that rate on June 28, 2019, or at any other rate.

Lease accounting with tenants

The Group sources apartments from landlords and converts them into standardized furnished rooms to lease to tenants seeking affordance residences in China. Revenues are primarily derived from the lease payments from its tenants and are recorded net of tax.

The Group determines all lease arrangements with tenants are operating leases since the benefits and risks incidental to ownership remains with the Group. Revenue is recognized on a straight-line basis starting from the commencement date stated in the lease agreements.

The cost amount for leasehold improvements and furniture, fixtures and equipment used in apartments were RMB1,289,280 and RMB549,291, respectively, the accumulated depreciation was RMB358,713 and RMB137,551, respectively and the impairment losses was RMB137,641 and RMB60,752, respectively as of June 30, 2019. Future rentals from outstanding leases that are within the lock-in period as of June 30, 2019 is RMB762,624.

Rental incentives

Tenants who prepay rent are entitled to rental discounts. Tenants who prepay rent of at least the first six months of the lease term can enjoy a 5% rental discount, and tenants who prepay at least the first twelve months of lease term rental can enjoy a 10% rental discount (subject to a RMB200 limit per month). Such incentives are only applicable during the lock-in period. The Group considers the rental discounts as a lease incentive and records it as a reduction in revenue on a straight line basis over the lease term. The Group recorded RMB43,647 and RMB54,418 of rental incentives for the nine months ended June 30, 2018 and 2019, respectively.

Fair value

The Group 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 established fair value hierarchy 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. The three levels of inputs may be used to measure fair value include:

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 assets 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 assets 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 following table summarizes the fair value of the Group's financial assets and liabilities that are accounted for at fair value on a recurring basis, by level within the fair value hierarchy, as of June 30, 2018 and 2019:

			Fair Value Measurements at Reporting Date Using			
Nine Months Ended June 30,	Description	Fair Value as of June 30, RMB	Quoted Prices in Active Markets for Identical Assets (Level 1) RMB	Significant Other Observable Inputs (Level 2) RMB	Significant Unobservable Inputs (Level 3) RMB	Total Gain for the Period RMB
2018	Contingent earn-out liabilities	66,638	—	—	66,638	23,398
2019	Contingent earn-out liabilities	96,443	—	—	96,443	43,378

The Group determines the fair value with the help from third party professional valuation specialists, and the assumptions used in estimating fair value require significant judgment. The use of different assumptions and judgments could result in a materially different estimate of fair value. Key inputs in determining the fair value of

the contingent earn-out liabilities include assumptions such as operating income, operating cost, number of new apartments acquired, probabilities of qualified IPO, etc., and changes in these assumptions would affect the number and value of future additional shares to be issued. Contingent earn-out liabilities are classified in Level 3 of the valuation hierarchy. See Note 7.

The following table presents the Group's assets measured at fair value on a non-recurring basis for the nine months ended June 30, 2018 and 2019:

			Fair Value Measurements at Reporting Date Using			
Nine Months Ended June 30,	Description	Fair Value for the Period, RMB	Quoted Prices in Active Markets for Identical Assets (Level 1) RMB	Significant Other Observable Inputs (Level 2) RMB	Significant Unobservable Inputs (Level 3) RMB	Total Loss for the Period RMB
2018	Property and equipment	101,750	—	—	101,750	20,554
2019	Property and equipment	59,405	—	—	59,405	33,396

Fair value of the property and equipment impairment testing was determined by the Group based on the income approach using the discounted cash flow associated with the underlying assets, which incorporated certain assumptions including projected rooms' revenue, growth rates and projected operating costs based on current economic condition, expectation of management and projected trends of current operating results. As a result, the Group has determined that the majority of the inputs used to value its property and equipment are unobservable inputs that fall within Level 3 of the fair value hierarchy. The revenue growth rate and the discount rate were the significant unobservable inputs used in the fair value measurement, which were 2% and 11% respectively, for the nine months ended June 30, 2018 and 2019.

As a result of reduced expectations of future cash flows from certain leased apartments, the Group determined that the property and equipment was not fully recoverable and consequently recorded an impairment charge of RMB20,554 and RMB33,396 for the nine months ended June 30, 2018 and 2019, respectively.

The financial instruments including cash and cash equivalents, restricted cash, accounts receivable, amounts due from related parties, accounts payable, amounts due to related parties, short-term debt, rental installment loans, deposits from tenants, other liabilities, are carried at cost which approximates their fair value due to the short-term nature of these instruments. The long-term debt approximates their fair values, because the bearing interest rate approximates market interest rate, and market interest rates have not fluctuated significantly since the commencement of loan contracts signed.

3. OTHER CURRENT ASSETS

	As of	
	September 30, 2018	June 30, 2019
Other receivables	24,453	30,380
Value added tax	93,992	89,973
Total	118,445	120,353

4. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following:

	As of	
	September 30, 2018	June 30, 2019
Cost:	1,797,164	1,901,444
Buildings	40,167	40,167
Leasehold improvements	1,222,639	1,289,280
Furniture, fixtures and equipment used in apartments	512,597	549,291
Vehicle	1,710	1,710
Office furniture, fixtures and equipment	20,051	20,996
Less: Accumulated depreciation	(378,488)	(510,852)
Less: Impairment	(174,708)	(198,393)
Construction in progress	76,854	51,835
Property and equipment, net	1,320,822	1,244,034

Depreciation expenses were RMB103,014 and RMB158,436 for the nine months ended June 30, 2018 and 2019, respectively.

5. DEBT

The short-term and long-term debt as of September 30, 2018 and June 30, 2019 were as follows:

	As of	
	September 30, 2018	June 30, 2019
Short-term debt:		
Short-term bank borrowings(1)	60,000	30,009
Long-term bank borrowings, current portion	56,087	136,386
Capital lease and other financing arrangement payable, current portion(2)	15,961	56,434
Subtotal	132,048	222,829
Long-term debt:		
Long-term bank borrowings, non-current portion(1)	76,176	137,270
Capital lease and other financing arrangement payable, non-current portion(2)	65,303	347,078
Other long term payable	24,000	24,000
Subtotal	165,479	508,348
Total	297,527	731,177

(1) ***Bank borrowings***

In March 2019, the Group obtained a three-year revolving bank credit facility with Shanghai Huarui Bank (the “SHRB”) under which the Group can draw-down up to RMB2,000,000, of which RMB1,000,000 is for rental installment loans, by February 2022 with annual interest rate of 7.5%. As of June 30, 2019, excluding the rental installment loan facility, the Group has drawn down RMB260,032, of which RMB134,665 is to be paid within one year, RMB97,367 and RMB28,000 to be paid within next two years.

(2) ***Capital lease and other financing arrangement payable***

The Company started to cooperate with a rental service company to source and renovate apartments since August 2018. For certain identified newly sourced apartments, the rental service company reimburses the

Company for costs incurred for the renovation. The Company then makes payments to the rental service company in installments equal to the reimbursed renovation costs plus interest and tax over a period of five years. At the end of the five-year period, the ownership of the renovation will be transferred to the Company. The Company accounts for this arrangement with the rental service company as a capital lease.

The leasehold improvements or furniture, fixtures and equipment used in apartments obtained under such capital lease arrangements are with aggregate initial value of RMB108,363 and carrying value of RMB64,871 as of June 30, 2019.

Future minimum lease payments required under the capital lease as of June 30, 2019 were as follows:

	RMB
Succeeding period in the year ending September 30, 2019	14,237
In the year ending September 30, 2020	24,941
In the year ending September 30, 2021	23,398
In the year ending September 30, 2022	21,859
In the year ending September 30, 2023	14,070
In the year ending September 30, 2024	1,600
Total	**100,105**
Less payment amount allocated to interest	13,375
Present value of capital lease obligation	**86,730**
Current portion of capital lease obligation	10,700
Long-term portion of capital lease obligation	76,030
	86,730

Under the same arrangement above, the Company also sells leasehold improvements and furniture, fixtures and equipment of certain existing apartments to the rental service company at carrying value and simultaneously leases them back. Such transaction fails sales and lease-back accounting and is accounted for as a financing arrangement. The proceeds received from the rental service company are reported as other financing arrangement payable. The underlying leasehold improvements and furniture, fixtures and equipment are with aggregate initial value of RMB351,113 and carrying value of RMB313,579 as of June 30, 2019, respectively.

Future payments required under other financing arrangements for succeeding period in the year ending September 30, 2019 and for the next 5 years were RMB8,936, RMB67,457, RMB67,457, RMB67,457, RMB67,457 and RMB38,018.

6. OPERATING COSTS

Operating costs include all direct costs incurred in the operation of the leased properties.

	For the nine months ended June 30,	
	2018	2019
Rental cost	443,474	719,362
Depreciation expenses	98,336	156,602
Personnel cost	16,486	16,442
Cost for value-added services and others	43,610	66,674
Total	601,906	959,080

7. PREFERRED SHARES

In June 2019, the Company issued 273,360,850 series C-2 convertible redeemable preferred shares at the price of US$0.3045 per share to certain investors with a total cash consideration of US$83,250. The cash proceeds received was US$78,859, net of issuance cost of US$4,391.

The significant terms of Series C-2 convertible redeemable preferred shares are summarized as follows:

Voting

The holders of the preferred shares shall vote together as one class on all resolutions. The holder of preferred shares has the number of votes as equal to the number of Class A ordinary shares then issuable upon their conversion into Class A ordinary shares.

Redemption rights

At the request of the holders of Series C-2 holders of convertible redeemable preferred shares, the Series C-2 convertible redeemable preferred shares are redeemable at any time when the Company fails to complete a qualified IPO by June 30, 2021 or any material breach of the Transaction Documents (which includes the Shareholders' Agreement and Amended and Restated Memorandum and Articles of Association) or a put/redemption notice is delivered by other series holders of the preferred shares, at a redemption price at least equal to the higher of the subscription price plus an amount that gives a compounded annualized return of 15% per annum or the fair market value of such shares plus any and all declared but unpaid dividends.

Liquidation Preference

In the event of any voluntary or involuntary liquidation, Series C-2 preference shareholders shall be entitled to receive, prior to the holders of the ordinary shares, at the amount representing the full subscription price plus an amount that gives a compounded annualized return of 15% of the subscription price plus all declared but unpaid dividends.

The liquidation preference is exercised in the sequence of Series C-2 convertible redeemable preferred shares, Series C/C-1 convertible redeemable preferred shares, Series B convertible redeemable preferred shares and Series A non-redeemable preferred shares.

After distribution in full to the above preference shareholders, the remaining assets and funds of the Group that is legally available for distribution to the shareholders shall be distributed ratably amongst them in proportion to the number of ordinary shares held by them (on an as-converted basis).

In the event of any dissolution or winding up of the Group, sale, transfer, license, pledge or otherwise disposal of all, or substantially all, of the Company's assets, changes in the control of the Company or invalidation/termination of the VIE Agreements (collectively "Deemed Liquidation Event"), the liquidation sequence and preference amount is also the same as above.

Conversion

Each Series C-2 convertible redeemable preferred shares shall be convertible, at the option of the holder thereof, at any time into Class A ordinary shares. All outstanding Series C-2 convertible redeemable preferred shares shall automatically be converted into Class A ordinary shares without the payment of any additional consideration, based on the then effective conversion rate at the time immediately upon (a) the occurrence of the qualified IPO.

Dividends

The holders of the preferred shares and ordinary shares are entitled to the dividend pari passu based on the number of shares they own on an as-converted basis once a dividend is authorized.

EBITDA performance targets for Series C-2 convertible redeemable preferred shares (the "Series C-2 EBITDA feature")

Along with the issuance of Series C-2 convertible redeemable preferred shares, the Group contemporaneously entered into agreements with its holders of Series C-2 convertible redeemable preferred shares on January 30, 2019, pursuant to which, certain EBITDA performance target were established. If the EBITDA targets are exceeded, the preferred shareholders must give back a portion of its shareholding based on a pre-agreed formula to the managers of the Group as incentives with no additional consideration. If expected EBITDA targets are not met, the preferred shareholders were entitled to additional shareholding at par value based on a pre-agreed formula to make up for the dissatisfaction in EBITDA targets. If the Group is successful in completing a qualified IPO by December 31, 2019, the EBITDA feature is fully waived.

The Group believed that it was not probable EBITDA targets will be satisfied. The EBITDA feature was recorded separately as a contingent earn-out liability at fair value in the unaudited condensed consolidated balance sheets as it met the definition of a freestanding financial instrument liability under ASC 480. At initial measurement, the Group allocated the proceeds from the issuance of Series C-2 convertible redeemable preferred shares to the fair value of contingent earn-out liabilities, with the remaining being allocated to Series C-2 convertible redeemable preferred shares. The contingent earn-out liabilities is re-measured at each period-end, with the changes in the fair value recorded as an adjustment to earnings. See Note 2.

In addition to the Series C-2 EBITDA feature, in the event that the actual pre-offering market capitalization of the Group was less than US$800,000, the Group shall additionally issue such number of Series C-2 convertible redeemable preferred shares to the holders at par value as compensation based on a pre-determined formula in the contract. The number of such additional shares shall be determined by multiplying the number of Series C-2 preferred shares issued by a fraction, the numerator is the difference between US$800,000 and the actual pre-offering market capitalization, and the denominator is US$800,000. The Group believed that it was possible to reach the pre-offering market capitalization target so did not record additional contingent earn-out liability in this regard.

Accounting for Series C-2 convertible redeemable preferred shares

Given the key terms described above, the Group classified Series C-2 convertible redeemable preferred shares as mezzanine equity. The residual proceeds after allocation to the contingent earn-out liabilities were recorded at issuance date. The Group has determined that there were no beneficial conversion features ("BCF") attributable to these shares as the effective conversion price was higher than the fair value of the ordinary shares on the commitment date. The Group determined the fair value of ordinary shares with the assistance of an independent third party valuation firm.

The Group accretes changes in the redemption value over the higher of the i) subscription price plus a pre-determined compounded annualized return set forth in the agreement and ii) fair market value. Changes in the redemption value are considered to be changes in accounting estimates. The accretion will be recorded against retained earnings, or in the absence of retained earnings, by charges against additional paid-in capital. Once additional paid-in capital has been exhausted, additional charges should be recorded by increasing the accumulated deficit.

The following is the roll forward of the carrying amounts of mezzanine equity for the nine months ended June 30, 2018 and 2019, respectively:

	RMB
Balance as of October 1, 2017	368,546
Issuance of Series C-1 convertible redeemable preferred shares to investors	139,952
Accretion on Series B convertible redeemable preferred shares to redemption value	14,710
Accretion on Series C convertible redeemable preferred shares to redemption value	21,395
Accretion on Series C-1 convertible redeemable preferred shares to redemption value	55,721
Balance as of June 30, 2018	600,324

Balance as of October 1, 2018	644,043
Issuance of Series C-2 convertible redeemable preferred shares to investors	474,053
Accretion on Series B convertible redeemable preferred shares to redemption value	40,957
Accretion on Series C convertible redeemable preferred shares to redemption value	26,837
Accretion on Series C-1 convertible redeemable preferred shares to redemption value	24,462
Accretion on Series C-2 convertible redeemable preferred shares to redemption value	92,875
Balance as of June 30, 2019	1,303,227

The following is the roll-forward of the carrying amounts of the contingent earn-out liability for the nine months ended June 30, 2018 and 2019, respectively:

	RMB
Balance as of October 1, 2017	44,856
Increase in accordance with Series C-1 convertible redeemable preferred shares issuance	45,180
Fair value change included in earnings	(23,398)
Balance as of June 30, 2018	66,638

Balance as of October 1, 2018	83,872
Increase in accordance with Series C-2 convertible redeemable preferred shares issuance	55,949
Fair value change included in earnings	(43,378)
Balance as of June 30, 2019	96,443

8. SHARE-BASED COMPENSATION

A summary of option activity during the nine months ended June 30, 2019 is presented below:

	Number of Options	Exercise Price RMB	Remaining Contractual Life	Intrinsic value of options RMB
Outstanding, as of October 1, 2018	70,000,000	2	7.73	—
—Granted	—	—	—	—
—Forfeited	(1,400,000)	2	—	—
Outstanding, as of June 30, 2019	68,600,000	2	7.00	—
Vested or expected to vest as of June 30, 2019	68,600,000	2	7.00	—

For the nine months ended June 30, 2018 and 2019 the Group recorded compensation expenses of RMB nil for the stock options granted. Given the vesting was contingent on the IPO, no share-based compensation expense is recognized until the date of the IPO.

Restricted Share Units ("RSU")

In 2017, the Group issued 15.99 million RSU to a consulting company, of which 5.2 million RSU vested immediately upon grant, and the Group has the right to repurchase the remaining 10.79 million RSU anytime at its discretion with nominal price before certain dates ("repurchase rights"). The Group determined RSU with repurchase rights are not considered issued until the expiration of such rights. At each of the expiration dates, the corresponding RSU are considered issued and vested immediately, and a measurement date has been reached.

Under such arrangement, the Group recorded 2.6 million, 2.6 million, 2.8 million, 2.8 million and 2.6 million RSU at the measurement date fair value of US$0.05, US$0.06, US$0.10, US$0.20 and US$0.25 on March 16, 2017, November 12, 2017, April 1, 2018, December 1, 2018 and April 1, 2019, respectively. In July 2019, the Group repurchased total 5.19 million RSUs.

The total expenses recognized in the unaudited condensed consolidated statements of comprehensive loss for the aforementioned RSUs granted were RMB2,252 and RMB8,173 respectively for the nine months ended June 30, 2018 and 2019.

9. LOSSES PER SHARE

The following table sets forth the computation of basic and diluted earnings per share for the periods indicated:

	For the nine months ended June 30,	
	2018	2019
Numerator:		
Net loss attributable to Q&K International Group Limited	(323,568)	(373,126)
Deemed dividend	(91,826)	(185,131)
Net loss attributable to ordinary shareholders—basic and diluted	(415,394)	(558,257)
Denominator:		
Weighted average ordinary shares outstanding—basic and diluted	402,311,296	430,450,490
Net loss per share—basic and diluted	(1.03)	(1.30)

For the nine months ended June 30, 2018 and 2019, assumed conversion of 912,410,360 Preferred Shares or 68,600,000 share options have not been reflected in the calculation of diluted net loss per share as their inclusion would have been anti-dilutive.

The unaudited pro forma consolidated balance sheets have been prepared as if the conversion of Preferred Shares into ordinary shares and extinguishment of contingent earn-out liabilities occurred on June 30, 2019. The unaudited pro forma net loss per share for the nine months ended June 30, 2019 giving effect to (1) the exclusion of the fair value change of contingent earn-out liabilities during the nine months ended June 30, 2019, and (2) the conversion of the convertible redeemable preferred shares and non-redeemable preferred shares into ordinary shares as if the conversion occurred as of October 1, 2018 or the issuance date (if issued within the nine months ended June 30, 2019), is as follows:

	For the nine months ended June 30, 2019
Numerator:	
Net loss attributable to ordinary shareholders	(558,257)
Add: Deemed dividend	185,131
Contingent earn-out liabilities	(43,378)
Net loss attributable to ordinary shareholders for computing unaudited pro forma basic and diluted net loss per share	(416,504)
Denominator:	
Weighted average ordinary shares outstanding—basic and diluted	430,450,490
Add: Unaudited pro forma adjustments to reflect assumed conversion of Preferred Shares	666,085,198
Unaudited pro forma weighted-average ordinary shares outstanding—basic and diluted	1,096,535,688
Unaudited pro forma net loss per share—basic and diluted	(0.38)

10. INCOME TAXES

Tax expense is comprised of the following:

	For the nine months ended June 30,	
	2018	2019
Current tax	2,376	40
Deferred tax	—	—
Total	2,376	40

The effective tax rate is based on expected income and statutory tax rates. For interim financial reporting, the Group estimates the annual tax rate based on projected taxable income for the full year and records a quarterly income tax provision in accordance with the guidance on accounting for income taxes in an interim period. As the year progresses, the Group refines the estimates of the year's taxable income as new information becomes available. This continual estimation process often results in a change to the expected effective tax rate for the year. When this occurs, the Group adjusts the income tax provision during the quarter in which the change in estimate occurs so that the year-to-date provision reflects the expected annual tax rate.

The Group's effective tax rate for the nine months ended June 30, 2018 and 2019 was (0.74%) and (0.01%), respectively.

The Group did not incur any interest and penalties related to potential underpaid income tax expenses.

11. STATUTORY RESERVES AND NET RESTRICTED ASSETS

The Company's ability to pay dividends is primarily dependent on the Company receiving distributions of funds from its subsidiaries. Relevant PRC statutory laws and regulations permit payments of dividends by the VIE and subsidiaries of the VIE incorporated in PRC only out of their retained earnings, if any, as determined in

accordance with PRC accounting standards and regulations. The consolidated results of operations reflected in the consolidated financial statements prepared in accordance with U.S. GAAP differ from those reflected in the statutory financial statements of the Company's subsidiaries.

Under PRC law, the Company's subsidiaries and consolidated VIEs located in the PRC (collectively referred as the ("PRC entities") are required to provide for certain statutory reserves, namely a general reserve, an enterprise expansion fund and a staff welfare and bonus fund. The PRC entities are required to allocate at least 10% of their after tax profits on an individual company basis as determined under PRC accounting standards to the statutory reserve and has the right to discontinue allocations to the statutory reserve if such reserve has reached 50% of registered capital on an individual company basis. In addition, the paid-in capital of the PRC entities is also restricted.

Amounts restricted including paid-in capital and statutory reserve funds as determined pursuant to PRC Laws were RMB942,440 and RMB989,931 as of September 30, 2018 and June 30, 2019, respectively.

12. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

The following entities are considered to be related parties to the Group. The related parties mainly act as service providers and service recipients to the Group. The Group is not obligated to provide any type of financial support to these related parties.

Related Party	Relationship with the Group
Shanghai Yijia Chuangye Investment Center LLP ("Yijia Chuangye")	An entity controlled by Mr. Guangjie Jin ("Founder and CEO of the Group")
Shanghai Laiguan Property Management Co., Ltd. ("Laiguan")	An entity controlled by certain management of the Group
Shanghai Q&K Fashion Life Co., Ltd. ("Q&K Fashion")	An entity controlled by Founder and CEO of the Group
Shanghai Qingke Robot Technology Co., Ltd. ("Robot")(i)	An affiliate of Founder and CEO of the Group
Shanghai Yijia Property Management Co., Ltd. ("Yijia Property")	An entity controlled by certain shareholders of the Group
Shanghai Xulong Trading Co., Ltd. ("Xulong")(ii)	An entity controlled by the parents of Founder and CEO of the Group
Shanghai Youzhen Information Technology Co., Ltd. ("Youzhen")	An entity controlled by the parents of Founder and CEO of the Group
Shanghai Qingji Property Management Co., Ltd. ("Qingji")	An entity controlled by certain management of the Group

(i) Robot ceased to be a related party of the Group in April 2019.
(ii) Xulong ceased to be a related party of the Group in March 2019.

The Group entered into the following transactions with its related parties.

For the nine months ended June 30, 2018 and 2019, services provided by the related parties were RMB144,569 and RMB117,950, respectively:

	For the nine month ended June 30,	
	2018	2019
Purchases of property and equipment from Xulong	52,599	12,205
Labor outsourcing service expense to Laiguan	41,084	31,414
Labor outsourcing service expense to Qingji	9,706	31,692
Value-added service cost to Robot	28,751	28,336
Storage and logistic service expense to Xulong	12,275	4,582
Marketing service expense to Xulong	—	9,721
Research and development expense to Robot	154	—
Total	144,569	117,950

As of September 30, 2018 and June 30, 2019, amounts due from related parties were RMB22,505 and RMB7,427, respectively, and details are as follows:

	As of	
	September 30, 2018	June 30, 2019
Robot	8,969	—
Q&K Fashion	7,978	1
Yijia Chuangye	4,400	4,400
Laiguan	988	1,540
Qingji	—	1,323
Youzhen	125	125
Others	45	38
Total	22,505	7,427

As of September 30, 2018 and June 30, 2019, amounts due to related parties were RMB32,219 and RMB308, respectively, and details are as follows:

	As of	
	September 30, 2018	June 30, 2019
Xulong	31,470	—
Yijia Property	749	308
Total	32,219	308

13. COMMITMENTS AND CONTINGENCIES

(a) Operating lease commitments

The Group has entered into lease agreements for properties which it operates. Such leases are classified as operating leases. Future minimum lease payments under non-cancellable operating lease agreements at June 30, 2019 were as follows:

	RMB
Succeeding period in the year ending September 30, 2019	245,848
In the year ending September 30, 2020	974,258
In the year ending September 30, 2021	911,124
In the year ending September 30, 2022	922,404
In the year ending September 30, 2023	936,475
2024 and thereafter	2,289,300
Total	6,279,409

(b) Purchase Commitments

As of June 30, 2019, the Group's commitments related to leasehold improvements and installation of equipment for RMB37,151, which is expected to be incurred within one year.

(c) Contingencies

The Group is subject to periodic legal or administrative proceedings in the ordinary course of business. The Group does not believe that any currently pending legal or administrative proceeding to which the Group is a party will have a material effect on its business or financial condition.

14. SUBSEQUENT EVENTS

The Group has evaluated subsequent events through September 17, 2019, the date on which these financial statements were issued.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

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.

The post-offering memorandum and articles of association that we expect to adopt and to become effective immediately prior to the completion of this offering provide that we shall indemnify our directors and officers (each an indemnified person) against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such indemnified person, other than by reason of such person's own dishonesty, willful default or fraud, in or about the conduct of our company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such indemnified person in defending (whether successfully or otherwise) any civil proceedings concerning our company or its affairs in any court whether in the Cayman Islands or elsewhere.

Pursuant to the indemnification agreements, the form of which is filed as Exhibit 10.1 to this registration statement, we agree to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being such a director or officer.

The underwriting agreement, the form of which will be filed as Exhibit 1.1 to this registration statement, will also provide indemnification for us and our officers and directors for certain liabilities.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to 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.

ITEM 7. RECENT SALES OF UNREGISTERED SECURITIES.

During the past three years, we have issued the following securities. We believe that each of the following issuances was exempt from registration under the Securities Act pursuant to Section 4(a)(2) of the Securities Act regarding transactions not involving a public offering or in reliance on Regulation S under the Securities Act regarding sales by an issuer in offshore transactions. No underwriter was involved in these issuances of securities.

Securities/Purchaser	Date of Issuance	Number of Securities	Consideration
Series C preferred shares			
North Haven Private Equity Asia Harbor Company Limited	July 26, 2017	120,000,000	US$30.0 million
Series C-1 preferred shares			
CP QK Singapore Pte Ltd.	March 16, 2018	103,500,000	US$30.0 million
Series C-2 preferred shares			
CP QK Singapore Pte Ltd.	June 3, 2019	176,869,198	US$53.9 million
Innovative Housing Solutions Pte. Ltd	June 3, 2019	96,491,652	US$29.4 million
Options and restricted shares units			
Certain directors, officers, employees and non-employees	from August 31, 2014 to November 12, 2017	Options to purchase 70 million ordinary shares, 1.4 million of which were forfeited in 2019; 15.99 million restricted share units, 5.19 million of which were repurchased in 2019	Past and future services to us
Warrants			
Shanghai Huarui Bank Co., Ltd.	July 31, 2017	Warrants to purchase Class A ordinary shares worth RMB15.0 million (US$2.2 million), which warrant has expired	—
	October 15, 2018	Warrants to purchase Class A ordinary shares worth RMB5.0 million (US$0.7 million), which warrant has expired	—

ITEM 8. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits

See Exhibit Index beginning on page II-4 of this registration statement.

The agreements included as exhibits to this registration statement contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties were made solely for the benefit of the other parties to the applicable agreement and (i) were not intended to be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate; (ii) may have been qualified in such agreement by disclosure that was made to the other party in connection with the negotiation of the applicable agreement; (iii) may apply contract standards of "materiality" that are different from "materiality" under the applicable securities laws; and (iv) were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement.

We acknowledge that, notwithstanding the inclusion of the foregoing cautionary statements, we are responsible for considering whether additional specific disclosure of material information regarding material contractual provisions is required to make the statements in this registration statement not misleading.

(b) Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the Consolidated Financial Statements or the Notes thereto.

ITEM 9. UNDERTAKINGS.

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 6, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Q&K INTERNATIONAL GROUP LIMITED

EXHIBIT INDEX

Exhibit Number	Description of Document
1.1*	Form of Underwriting Agreement
3.1	Second Amended and Restated Memorandum and Articles of Association of the Registrant, as currently in effect
3.2†	Form of Third Amended and Restated Memorandum and Articles of Association of the Registrant, effective immediately prior to the completion of this offering
4.1	Registrant's Specimen American Depositary Receipt (included in Exhibit 4.3)
4.2†	Registrant's Specimen Certificate for Class A ordinary shares
4.3	Form of Deposit Agreement, among the Registrant, the depositary and the holders and beneficial owners of American Depositary Shares issued thereunder
4.4†	Third Amended and Restated Shareholders Agreement between the Registrant and other parties thereto dated June 3, 2019
5.1†	Opinion of Conyers Dill & Pearman regarding the validity of the Class A ordinary shares being registered and certain Cayman Islands tax matters
8.1†	Opinion of Conyers Dill & Pearman regarding certain Cayman Islands tax matters
8.2†	Opinion of JunHe LLP regarding certain PRC tax matters (included in Exhibit 99.2)
10.1†	Form of Indemnification Agreement between the Registrant and its directors and executive officers
10.2†	English translation of the form of Employment Agreement between the Registrant and its executive officers
10.3†	English translation of the executed equity pledge agreement entered into by and among Q&K Investment Consulting, Q&K E-Commerce and the shareholders of Q&K E-Commerce
10.4†	English translation of the executed shareholder voting proxy agreement entered into by and among Q&K Investment Consulting, Q&K E-Commerce, Xiamen Siyuan Investment Management Co., Ltd., Guangjie Jin and Bing Xiao
10.5†	English translation of the executed spousal consent letter issued by the spouse of Bing Xiao
10.6†	English translation of the executed exclusive technology service agreement entered into by and between Q&K Investment Consulting and Q&K E-Commerce
10.7†	English translation of the executed exclusive option agreement entered into by and among Q&K Investment Consulting, Q&K E-Commerce and the shareholders of Q&K E-Commerce
10.8†	English translation of the executed strategic cooperation agreement entered into by and between SHRB and Shanghai Qingke Public Rental Housing Leasing Management Co., Ltd. dated February 21, 2019
10.9†	2019 Share Incentive Plan
10.10	Series C-1 Preferred Share Subscription Agreement dated March 16, 2018
10.11	Series C-2 Preferred Share Subscription Agreement dated January 30, 2019
21.1†	Significant Subsidiaries and VIE of the Registrant
23.1	Consent of Deloitte Touche Tohmatsu Certified Public Accountants LLP, an independent registered public accounting firm

Exhibit Number	Description of Document
23.2†	Consent of Conyers Dill & Pearman (included in Exhibit 5.1)
23.3†	Consent of JunHe LLP (included in Exhibit 99.2)
24.1†	Powers of Attorney (included on signature page)
99.1†	Code of Business Conduct and Ethics of the Registrant
99.2†	Opinion of JunHe LLP regarding certain PRC law matters
99.3†	Consent of China Insights Consultancy
99.4†	Consent of Chen Chen
99.5†	Consent of Lin Zhou
99.6†	Registrant's Representation under Item 8.A.4

* To be filed by amendment.
† Previously filed.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Shanghai, China, on October 25, 2019.

Q&K International Group Limited

By: /s/ Guangjie Jin
Name: Guangjie Jin
Title: Chairman of the Board of Directors and Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Guangjie Jin Guangjie Jin	Chairman of the Board of Directors and Chief Executive Officer (Principal Executive Officer)	October 25, 2019
* Gang Xie	Director	October 25, 2019
* Zhaochun Zheng	Director	October 25, 2019
* Youyang Li	Director	October 25, 2019
* Wing Cheung Ryan Law	Director	October 25, 2019
* Lin Lin	Director	October 25, 2019
* Qiong Hong	Director	October 25, 2019
* Kaiyu Yao	Director	October 25, 2019
* Bing Xiao	Director	October 25, 2019

Signature	Title	Date
*	Chief Financial Officer (Principal Financial Officer and principal accounting officer)	October 25, 2019
Jackie Qiang You		

* By: /s/ Guangjie Jin — October 25, 2019
Name: Guangjie Jin
Attorney-in-fact

SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the Securities Act of 1933, the undersigned, the duly authorized representative in the United States of Q&K International Group Limited has signed this registration statement or amendment thereto in New York on October 25, 2019.

Cogency Global Inc.
Authorized U.S. Representative

By: /s/ Richard Arthur
Name: Richard Arthur
Title: Assistant Secretary

Exhibit 3.1

THE COMPANIES LAW (AS AMENDED)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

SECOND AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION

OF

Q&K INTERNATIONAL GROUP LIMITED

(adopted by Special Resolution on June 3, 2019)

1. The name of the Company is Q&K INTERNATIONAL GROUP LIMITED.

2. The registered office of the Company shall be at the offices of Conyers Trust Company (Cayman) Limited at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands or at such other place as the Directors may determine.

3. The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the Companies Law (as amended) or as the same may be revised from time to time, or any other Law of the Cayman Islands.

4. The liability of each Shareholder is limited to the amount from time to time unpaid on such Shareholder's shares.

5. The Company has power to register by way of continuation as a body corporate limited by shares under the Laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

6. Capitalised terms that are not defined in this Memorandum bear the same meaning as those given in the Articles of the Company.

7. The authorised share capital of the Company is US$50,000 divided into 5,000,000,000 shares of a par value of US$0.00001 each, comprising of (a) 2,500,000,000 class A ordinary shares; (b) 1,000,000,000 class B ordinary shares; and (c) 1,500,000,000 preferred shares comprising of (i) 255,549,510 series A preferred shares, of which 131,617,560 are designated as series A-1 preferred shares, 40,121,500 are designated as series A-2 preferred shares, and 83,810,450 are designated as series A-3 preferred shares, (ii) 160,000,000 series B preferred shares, (iii) 120,000,000 series C preferred shares; (iv) 103,500,000 series C-1 preferred shares, (v) 273,360,850 series C-2 preferred shares, and (vi) 587,589,640 are undesignated, in each case, with power for the Company insofar as is permitted by law to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law (Revised) and the Articles of Association and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of shares whether stated to be preference or otherwise shall be subject to the powers hereinbefore contained.

THE COMPANIES LAW (AS AMENDED)

OF THE CAYMAN ISLANDS

COMPANY LIMITED BY SHARES

SECOND AMENDED AND RESTATED ARTICLES OF ASSOCIATION

OF

Q&K INTERNATIONAL GROUP LIMITED

(adopted by Special Resolution on June 3, 2019)

INTERPRETATION

In these Articles, Table A in the First Schedule to the Statute does not apply and, unless there is something in the subject or context inconsistent therewith:

"Affiliate"	of a given Person means, (i) in the case of a Person other than a natural person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with, such given Person, or (ii) in the case of a natural person, any other Person who is an immediate family member of such given Person or that directly or indirectly is Controlled by such given Person or a family member of such given Person. For the avoidance of doubt, the Affiliates of the Group Companies shall, among others, include the Qingke Shishang Group Companies.
"Approved Sale"	means a Series C-2 Approved Sale, a Series C-1 Approved Sale, a Series C Approved Sale or a Series B Approved Sale, as the case may be.
"Articles"	means these articles of association of the Company (including Schedule A hereto) as amended from time to time.
"Auditor"	means the person for the time being performing the duties of auditor of the Company (if any).
"Balance Sheet Date"	means November 30, 2014.
"Big-Four Accounting Firm"	means any of KPMG, PricewaterhouseCoopers (PwC), Deloitte Touche Tohmatsu (Deloitte) and Ernst & Young (EY).

"Board of Directors" or "Board"	means the board of directors of the Company.
"Business Day"	means a day (other than a Saturday or a Sunday) that the banks in Hong Kong, the PRC, or the City of New York are generally open for business.
"Business Plan"	means the annual/quarterly budget and the semi-annual operational/business plan of any Group Company prepared by the Company.
"BVI"	means the British Virgin Islands.
"BVI Subsidiary"	means QK365.Com Inc., a BVI business company incorporated under the BVI Laws.
"Class A Ordinary Shares"	means the class A ordinary shares of the Company of a par value of US$0.00001 each.
"Class B Ordinary Shares"	means the class B ordinary shares of the Company of a par value of US$0.00001 each.
"Closing"	means the consummation of the subscription of an aggregate number up to 273,360,850 Series C-2 Shares as contemplated under the Share Subscription Agreement.
"Closing Date"	means the date on which the Closing occurs as contemplated under the Share Subscription Agreement.
"Company"	means Q&K International Group Limited, an exempted company organized and existing under the Laws of the Cayman Islands.
"Constitutional Documents"	means the constitutional documents of the respective Group Company which may include, as applicable, memorandum of association and articles of association, by-laws, joint venture contracts and the like.
"Contract"	means each of legally binding contracts, agreements, engagements, purchase orders, commitments, understandings, indentures, notes, bonds, loans, instruments, leases, mortgages, franchises, licenses or any other contractual arrangements or obligations, which are currently subsisting and not terminated or completed.

"Control"	of a given Person means the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, contractual arrangement or otherwise, which power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to control the composition of the board of directors or similar governing body of such Person; and the term "Controlled" has the meaning correlative to the foregoing.
"Control Documents"	means the following contracts entered into by the WFOE, the Domestic Company and other parties thereto, as applicable, collectively: (i) Exclusive Technology Service Agreements (□□□□□□□□), (ii) Exclusive Call Option Agreement (□□□□□□□), (iii) Voting Rights Proxy Agreements (□□□□□□□□□), and (iv) Equity Pledge Agreement (□□□□□□), in the form as attached thereto to the share purchase agreement relating to the purchase of the Series B Shares dated April 21, 2015 as Exhibit XI.
"Conversion Price"	means, as applicable, the Series C-2 Conversion Price, the Series C-1 Conversion Price, the Series C Conversion Price, the Series B Conversion Price or the Series A Conversion Price.
"Da Chen"	means Shanghai Dachen Hengsheng Chuangye Investment LLP (□□□□□□□□□□□□(□□□□)), Xiamen Dachen Jusheng Chuangye Investment LLP (□□□□□□□□□□□□□□□(□□□□)), Xiao Bing(□□) and Beijing Chengbohan Chuangye Investment Management Center LLP (□□□□□□□□□□□□□□□□(□□□□)).
"Directors"	means the members of the Board of Directors.
"Domestic Company"	means Shanghai Qingke Electrics Commerce Co., Ltd.(□□□□□□□□□□□□□), a limited liability company established under the PRC Laws.
"Drag-Along Shareholder"	means (in the case of a Series C-2 Approved Sale) the Series C-2 Drag-Along Shareholders, (in the case of a Series C-1 Approved Sale) the Series C-1 Drag-Along Shareholder, (in the case of a Series C Approved Sale) the Series C Drag-Along Shareholder or (in the case of a Series B Approved Sale) the Series B Drag-Along Shareholder.

"Dragged Shareholders"	means (in the case of a Series C-2 Approved Sale) all Shareholders other than the Series C-2 Drag-Along Shareholders, (in the case of a Series C-1 Approved Sale) all Shareholders other than the Series C-1 Drag-Along Shareholder, (in the case of a Series C Approved Sale) all Shareholders other than the Series C Drag-Along Shareholder or (in the case of a Series B Approved Sale) all Shareholders other than the Series B Drag-Along Shareholder.
"Equity Security" or "Equity Securities"	means, with respect to a given Person, any share, share capital, registered capital, ownership interest, partnership interest, equity interest, joint venture or other ownership interest of such Person, or any option, warrant, or right to subscribe for, acquire or purchase any of the foregoing, or any other security or instrument convertible into or exercisable or exchangeable for any of the foregoing, or any equity appreciation, phantom equity, equity plan or similar right with respect to such Person, or any Contract of any kind for the purchase or acquisition from such Person of any of the foregoing, either directly or indirectly.
"ESOP"	means a share incentive plan or other similar arrangements of the Company adopted by the Company and approved by the Board of Directors in accordance with these Articles.
"Financial Statements"	means the following financial statements, including the related notes and schedules thereto: (i) the consolidated financial statements for the Qingke Shishang Group Companies as of the Balance Sheet Date of the financial due diligence report prepared by a Big-Four Accounting Firm approved by SAIF and Youzhen, (ii) the unaudited consolidated balance sheet and the related consolidated statements of income and cash flows for the Company and the unaudited balance sheet and the related statements of income and cash flows of each of the Group Companies as of the last calendar day of the month in which the Restructuring is completed, all of which are reviewed by a Big-Four Accounting Firm approved by the SAIF and Youzhen, (iii) the unaudited consolidated balance sheet and the related consolidated statements of income and cash flows for the Company and the unaudited balance sheet and the related statements of income and cash flows for each of the Group Companies as of the last calendar day of the month preceding the Closing, all of which are reviewed by a Big-Four Accounting Firm approved by the SAIF and Youzhen.
"Founder"	means Mr. JIN Guangjie, whose ID number is 310107197306012456.
"Founder Party"	means each of the Founder and the Holding Company.

"Government Authority"	means any nation, government, province, state, or any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of any government or any political subdivision thereof, court, tribunal, arbitrator, the governing body of any securities exchange, and self-regulatory organization, in each case having competent jurisdiction.
"Group Company"	means, each of the Company, the BVI Subsidiary, the US Subsidiaries, the HK Subsidiary, the PRC Subsidiaries and any other Subsidiaries of the foregoing.
"HK Subsidiary"	means Qingke (China) Limited, a company limited by shares incorporated under the Hong Kong Laws.
"Holding Company"	means BILL.com INC.
"Hong Kong"	means Hong Kong Special Administrative Region of the PRC.
"Hui Jia"	means Shanghai Huijia Chuangye Investment Co., Ltd. (□□□□□□□□□□□□).
"Interested Party"	means a Founder Party, any shareholder, director, officer or employee of a Group Company, or any Affiliate of the foregoing.
"Key Employee(s)"	has the meaning set forth in the Share Subscription Agreement.
"Law"	means any law, rule, constitution, code, ordinance, statute, treaty, decree, regulation, common or customary law, order, official policy, circular, provision, administrative order, interpretation, injunction, judgment, ruling, assessment, writ or other legislative measure of any Governmental Authority.
"Liability"	means, with respect to any Person, all liabilities, obligations and commitments of such Person of any nature, whether accrued, absolute, contingent or otherwise, and whether due or to become due.

"Liquidation Event"	means unless otherwise agreed by the Series C-2 Majority, the Series C-1 Majority, the Series C Majority, the Series B Majority and the Series A Majority, any of the following events: (i) the liquidation, dissolution or winding-up of any Group Company, whether voluntary or involuntary (including any liquidation in accordance with Section 1 and Section 2.4 of Schedule A); (ii) any sale, transfer, license, pledge, or otherwise disposal of all, or substantially all, of the Company's assets; (iii) any Trade Sale or Approved Sale; (iv) the termination or the invalidation of the Control Documents in accordance with applicable Law and no appropriate substitute mechanism reasonably acceptable to the Board of Directors (including the consent of both Preferred Directors) has been implemented to achieve the consolidation of the financial statements of the Domestic Company into those of the Company in accordance with the US GAAP; or (v) any change in Control of the Company.
"Management Rights Letter"	means the management rights letter the form of which is attached to the share purchase agreement relating to the purchase of the Series B Shares dated April 21, 2015 as Exhibit VII, as amended from time to time.
"Memorandum"	means the memorandum of association of the Company, as amended from time to time.
"New Shares"	means any Preferred Shares, Ordinary Shares or other Equity Securities of the Company, whether now authorized or not, and rights, options or warrants to purchase any Equity Securities of the Company of any type whatsoever that are, or may become, convertible or exchangeable into such Preferred Shares, Ordinary Shares or other Equity Securities of the Company, except for: (i) Ordinary Shares, or any option to acquire any Ordinary Shares issued to employees, officers, consultants or directors of the Company pursuant to the ESOP, which shall not exceed 5% of the issued share capital of the Company on a fully diluted and as-converted basis and as approved by the Board (including the affirmative votes of the Series C-1 Director, Series C Director, both Series B Directors and two Series A Directors); (ii) Ordinary Shares issued upon conversion of the Preferred Shares; (iii) Equity Securities of the Company issued in connection with any share split, share dividend, combination, recapitalization or reorganization or similar transaction of the Company that does not change the relative shareholding percentage of the Shareholders and as approved by the Board (including the affirmative votes of the Series C-1 Director, the Series C Director, both Series B Directors and two Series A Directors);

	(iv) Equity Securities of the Company issued in the QIPO of the Company; (v) Equity Securities of the Company issued upon the exercise or conversion of any convertible securities issued prior to the Closing Date; and (vi) any Adjustment Shares (as defined in the Series C SSA, the Series C-1 SSA and the Share Subscription Agreement respectively) as may be issued to the Series C Shareholder pursuant to the Series C SSA, to the Series C-1 Shareholder pursuant to the Series C-1 SSA and to the Series C-2 Shareholder pursuant to the Share Subscription Agreement.
"Niu Xin"	means Shanghai Niuxin Chuangye Investment Center LLP (□□□□□□□□□□(□□□□)), Shanghai Niuxin Chuanglian Investment Center LLP (□□□□□□□□□□(□□□□)), Shanghai Niuxin Investment Management Co., Ltd. (□□□□□□□□□□□□) and Shanghai Niuxin Xuhang Investment Center LLP (□□□□□□□□□□(□□□□)).
"Option"	means any options to purchase or rights to subscribe for Ordinary Shares, or other securities by their terms convertible into or exchangeable for Ordinary Shares, or options to purchase or rights to subscribe for such convertible or exchangeable securities.
"Ordinary Majority"	means the Ordinary Shareholder(s) holding at least 50% of the issued and outstanding Ordinary Shares.
"Ordinary Shareholder"	means any direct holder of the issued and outstanding Ordinary Shares.
"Ordinary Shares"	means collectively the Class A Ordinary Shares and Class B Ordinary Shares or any of the foregoing shares as the context may require.
"Person"	means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise, entity or legal person.
"PRC"	means the People's Republic of China, excluding Hong Kong, Taiwan and Macau Special Administrative Region.

"PRC Subsidiary"	means each of the WFOE, the Domestic Company, Shanghai Qingke Chuangyi Industrial Supporting Property Management Co., Ltd.(□□□□□□□□□□□□□□□□□□□□), Suzhou Qingke Property Management Co., Ltd.(□□□□□□□□□□□□), Shanghai Lingqing Property Management Co., Ltd.(□□□□□□□□□□□□□), Shanghai Minqing Property Service Co., Ltd.(□□□□□□□□□□□□□), Shanghai Tangqing Property Management Co., Ltd.(□□□□□□□□□□□□□), Shanghai Qingteng Investment Management Center LLP(□□□□□□□□□□(□□□□)), Shanghai Qingke Public Rental Housing Leasehold Operation and Management Company Limited by Shares(□□□□□□□□□□□□□□□□□□□□□□□□), Shanghai Guqing Property Management Co., Ltd.(□□□□□□□□□□□□□), Shanghai Qingke Equipment Rental Co., Ltd.(□□□□□□□□□□□□□), Shanghai Baoshan Qingke Public Rental Leased Housing Operation And Management Co., Ltd. (□□□□□□□□□□□□□□□□□□□□), Shanghai Qingke Trading Co., Ltd. (□□□□□□□□□□□), Jiaxing Qingke Public Rental Housing Leasehold Investment Management Company Limited By Share (□□□□□□□□□□□□□□□□□□□□□□), Hangzhou Qingke Apartment Management Co., Ltd. (□□□□□□□□□□□□□), Guangzhou Qingke Apartment Hotel Management Co., Ltd. (□□□□□□□□□□□□□□), Beijing Qingke Property Management Co., Ltd. (□□□□□□□□□□□□□), Tianjin Qingke Apartment Management Co., Ltd.(□□□□□□□□□□□□□□), Chengdu Qingke Apartment Management Co., Ltd.(□□□□□□□□□□□□□□), Nanjing Qingke Apartment Management Co., Ltd.(□□□□□□□□□□□□□□), Hefei Qingke Property Management Co., Ltd. (□□□□□□□□□□□□□□), Xiamen Qingke Apartment Management Co., Ltd.(□□□□□□□□□□□□□□),Wuhan Qingke Apartment Hotel Management Co., Ltd.(□□□□□□□□□□□□□□□), Jiaxing Qingke Talent Apartment Construction and Development Co., Ltd. (□□□□□□□□□□□□□□□□□□), Jiaxing Huicai Property Management Co., Ltd. (□□□□□□□□□□□□□□), Shanghai Xiangsi Shiye Co., Ltd. (□□□□□□□□□□□) and any other current and future corporation, company (including any limited liability company), association, partnership, joint venture or other business entity from time to time organized and existing under the Laws of the PRC (i) which is a Subsidiary of the Company or (ii) whose financial reporting is consolidated with the Company or its Subsidiary in any of their audited financial statements.

"Preferred Directors"	means, collectively, the Series C-1 Director, the Series C Director, the Series B Directors and the Series A Directors.
"Preferred Shareholders"	means, collectively, the Series C-2 Shareholders, the Series C-1 Shareholders, the Series C Shareholders, the Series B Shareholders and the Series A Shareholders, and "Preferred Shareholder" refers to any of the Preferred Shareholders.
"Preferred Shares"	means, the preferred shares of par value of US$0.00001 each in the authorised share capital of the Company including without limitation, the Series C-2 Shares, the Series C-1 Shares, the Series C Shares, the Series B Shares and Series A Shares or any of the foregoing shares as the context may require.
"Previous A-1 Investment Agreements"	means (i) the investment agreement by and among Qingke Shishang, Shanghai Niuxin Chuangye Investment Center LLP (□□□□□□□□□□(□□□□)), Shanghai Niuxin Chuanglian Investment Center LLP (□□□□□□□□□□(□□□□)), Shanghai Niuxin Investment Management Co., Ltd. (□□□□□□□□□□□□) and certain other parties therein dated 28 February 2012; (ii) the equity transfer agreement by and among Mrs. SONG Guiying, Mr. JIN Guangjie, Shanghai Niuxin Chuangye Investment Center LLP (□□□□□□□□□□(□□□□)), Shanghai Niuxin Chuanglian Investment Center LLP (□□□□□□□□□□(□□□□)) and Shanghai Chuangye Jieli Investment Management Co., Ltd. (□□□□□□□□□□□□□□) dated 29 February, 2012; (iii) the equity transfer agreement by and among Shanghai Chuangye Jieli Investment Management Co., Ltd. (□□□□□□□□□□□□□□□), Mr. JIN Guangjie and Shanghai Niuxin Investment Management Co., Ltd. (□□□□□□□□□□□□□) dated 14 June 2012; (iv) the equity transfer agreement by and between Mr. JIN Guangjie and Shanghai Niuxin Investment Management Co., Ltd. (□□□□□□□□□□□□□) dated 28 June 2012; (v) the equity transfer agreement by and between Shanghai Niuxin Chuanglian Investment Center LLP (□□□□□□□□□□(□□□□)) and Shanghai Yijia Investment Co., Ltd. (□□□□□□□□□□) dated 1 November 2012; (vi) the equity transfer agreement by and among Mr. JIN Guangjie, Shanghai Niuxin Chuangye Investment Center LLP (□□□□□□□□□□(□□□□)), Shanghai Niuxin Chuanglian Investment Center LLP (□□□□□□□□□□(□□□□)), Shanghai Niuxin Investment Management Co., Ltd. (□□□□□□□□□□□□) and Shanghai Yijia Investment Co., Ltd. (□□□□□□□□□□) dated 1 November 2012; (vii) the equity transfer agreement by and between Shanghai Niuxin Chuanglian Investment Center LLP (□□□□□□□□□□(□□□□)) and Shanghai Youzhen Investment Management Center LLP (□□□□□□□□□□(□□□□)) dated 15 August 2013; (viii) the equity transfer agreement by and between Shanghai Niuxin Chuanglian Investment Center LLP (□□□□□□□□□□(□□□□)) and Shanghai Yijia Investment Co., Ltd. (□□□□□□□□□□) dated 15 August 2013; (ix) the equity transfer agreement by and between Shanghai Niuxin Chuangye Investment Center LLP (□□□□□□□□□□(□□□□)) and Shanghai Niuxin Xuhang Investment Center LLP (□□□□□□□□□□(□□□□)) dated 9 July 2014; (x) the equity transfer agreement by and between Shanghai Kunlong Investment Co., Ltd. (□□□□□□□□□□□□) and Shanghai Youzhen Investment Management Center LLP (□□□□□□□□□□(□□□□)) dated 15 August 2013, and (xi) the equity transfer agreement by and among Shanghai Youzhen Investment Management Center LLP (□□□□□□□□□(□□□□)), Shanghai Dachen Hengsheng Chuangye Investment Center LLP (□□□□□□□□□□□□□(□□□□)), Xiamen Dachen Junsheng Chuangye Investment LLP (□□□□□□□□□□□□□□□(□□□□)), Mr. XIAO Bing and Beijing Chengbohan Chuangye Investment Management Center LLP (□□□□□□□□□□□□□□□(□□□□)) dated January 2014.

"Previous A-2 Investment Agreement"	means the investment agreement by and among Qingke Shishang, Hui Jia and certain other parties therein dated December 2012.
"Previous A-3 Investment Agreements"	means (i) the investment agreement by and among Qingke Shishang, Da Chen and certain other parties therein dated January 2014, and (ii) the equity transfer agreement by and among Shanghai Youzhen Investment Management Center LLP (□□□□□□□□□□(□□□□)), Shanghai Dachen Hengsheng Chuangye Investment Center LLP (□□□□□□□□□□□□(□□□□)), Xiamen Dachen Junsheng Chuangye Investment LLP (□□□□□□□□□□□□□□□(□□□□)), Mr. XIAO Bing and Beijing Chengbohan Chuangye Investment Management Center LLP (□□□□□□□□□□□□□□□(□□□ □)) dated January 2014.

"Proprietary Asset"	means (i) all inventions and patents, together with all applications, reissuances, continuations, revisions, and extensions thereof, (ii) all registered and material unregistered trademarks, service marks, trade dress, logos, trade names and corporate names and domain names, together with all translations, adaptations, derivations and combinations thereof and including all goodwill and all applications, registrations and renewals in connection therewith, (iii) all copyrightable works (including, without limitation, all works of authorship, works made for hire and mask works), all copyrights (together with all applications, registrations and renewals in connection therewith) and all material unregistered copyrights, (iv) all trade secrets and confidential business information (including ideas, know-how, formulas, compositions, manufacturing and production processes and techniques, methods, technology, technical data, designs, drawings, flowcharts, diagrams, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals), (v) all software, (vi) all other proprietary rights, (vii) all licenses, sublicenses, agreements, consents or permissions related to the foregoing, (viii) all media on which any of the foregoing is stored or all documentation related to any of the foregoing and (viii) any of the above reflected in the balance sheets of the Financial Statements and in the asset list attached to the Restructuring Plan.
"Qingke Shishang"	means Shanghai Qingke Shishang Living Service Company Limited by Shares (□□□□□□□□□□□□□□□□□).
"Qingke Shishang Group Company" or "Qingke Shishang Group Companies"	means each of Qingke Shishang and any of its Subsidiaries prior to the Restructuring (including but not limited to Shanghai Qingke Chuangyi Industrial Supporting Property Management Co., Ltd. (□□□□□□□□□□□□□□□□□□□□), Suzhou Qingke Property Management Co., Ltd.(□□□□□□□□□□□□□), Shanghai Yijia Property Management Co., Ltd. (□□□□□□□□□□□□□), Shanghai Minqing Property Service Co., Ltd.(□□□□□□□□□□□□□), Shanghai Tangqing Property Management Co., Ltd.(□□□□□□□□□□□□□), Shanghai Qingteng Investment Management Center LLP(□□□□□□□□□□□(□□□□)), Shanghai Qingke Public Rental Housing Leasehold Operation and Management Company Limited by Shares(□□□□□□□□□□□□□□□□□□□□□□□□□) and Shanghai Guqing Property Management Co., Ltd.(□□□□□□□□□□□□□).

"QIPO"	means a firm commitment underwritten public offering of the Ordinary Shares (or securities representing such Ordinary Shares) on an internationally recognized securities exchange or board (whether in the United States or in another jurisdiction) as may be approved by the Series C-2 Shareholders or the Series C-1 Shareholders: (i) pursuant to which all Shares converted from the Preferred Shares will become listed and publicity tradable; (ii) with a pre-offering market capitalization of the Company of US$800,000,000 or more (on a fully diluted basis); and (iii) where such public offering results in proceeds to the Company in excess of US$160,000,000, after deducting all expenses of the public offering, including but not limited to underwriters fees, legal expenses, auditors fees and other third party expenses, *provided*, *however*, subject to the provisions set forth in the Shareholders' Agreement and these Articles, if all Preferred Directors other than the Series C-1 Director have reached consensus on the plan of an initial public offering, the Series C-2 Shareholders and the Series C-1 Shareholders agree to waive (ii) and (iii) above to the extent that such agreed initial public offering shall (x) have a pre-offering market capitalization of the Company of no lower than US$600,000,000 (on a fully diluted basis); and (y) result in proceeds to the Company in excess of 20% of the pre-offering market capitalization (after deducting all expenses), which shall be no lower than US$120,000,000.
"Restructuring"	means a series of transactions and corporate actions (including but not limited to the transfer of certain properties, assets and contract rights) between the Group Companies and the Qingke Shishang Group Companies as contemplated under the Restructuring Plan.
"Restructuring Plan"	means the restructuring plan of the Group Company as set forth in Exhibit XIII attached to the share purchase agreement relating to the purchase of the Series B Shares dated April 21, 2015.
"RMB"	means the lawful currency of the PRC from time to time.
"SAIF"	means SAIF IV Consumer (BVI) Limited and its successors in title, assigns and transferees.
"Seal"	means the common seal of the Company and includes every duplicate seal.
"Securities Act"	means the US Securities Act of 1933, as amended and interpreted from time to time.
"Series A Conversion Price"	means, as applicable, the Series A-1 Conversion Price, the Series A-2 Conversion Price or the Series A-3 Conversion Price.

"Series A Majority"	means the Series A Shareholder(s) holding at least 50% of the issued and outstanding Series A Shares.
"Series A Purchase Price"	means, the Series A-1 Purchase Price with respect to the Series A-1 Shares, the Series A-2 Purchase Price with respect to the Series A-2 Shares or the Series A-3 Purchase Price with respect to the Series A-3 Shares, as applicable and as the case might be.
"Series A Shares"	means the series A preferred shares of the Company of US$0.00001 each consisting of the Series A-1 Shares, the Series A-2 Shares and the Series A-3 Shares.
"Series A Shareholder"	means a holder of any issued and outstanding Series A Shares.
"Series A-1 Majority"	means, the Series A Shareholder(s) holding at least 50% of the issued and outstanding Series A-1 Shares.
"Series A-1 Purchase Price"	means the purchase price for each Series A-1 Share calculated based on the total amount invested by Niu Xin and Shanghai Youzhen Investment Management Center LLP (□□□□□□□□□□(□□□□)) in Qingke Shishang (including the purchase price paid to both Qingke Shishang and the relevant transferors) pursuant to the Previous A-1 Investment Agreements, the median exchange rate between RMB and US$ published by the China Foreign Exchange Trading System (as published on the official website of the People's Bank of China) on February 29, 2012, and the number of Series A-1 Shares outstanding on the date hereof, subject to adjustment as a result of share split, share division, share combination, share dividend, reorganization, mergers, consolidations, reclassifications, exchanges, substitutions, recapitalization or similar events. In the event of any error in calculation, the Company and Series A-1 Shareholders shall take all necessary measures as soon as possible to cure such error and indemnify the other Shareholders against all losses incurred in connection with or arising out of such error.
"Series A-1 Shares"	means the Series A Shares designated as series A-1 preferred shares of the Company.
"Series A-1 Shareholder"	means a holder of any issued and outstanding Series A-1 Shares.
"Series A-2 Majority"	means, the Series A Shareholder(s) holding at least 50% of the issued and outstanding Series A-2 Shares.

"Series A-2 Purchase Price"	means the purchase price for each Series A-2 Share calculated based on the total amount invested by Hui Jia in Qingke Shishang (including the purchase price paid to both Qingke Shishang and the relevant transferors) pursuant to the Previous A-2 Investment Agreement, the median exchange rate between RMB and US$ published by the China Foreign Exchange Trading System (as published on the official website of the People's Bank of China) on August 15, 2013, and the number of Series A-2 Shares outstanding on the date hereof, subject to adjustment as a result of share split, share division, share combination, share dividend, reorganization, mergers, consolidations, reclassifications, exchanges, substitutions, recapitalization or similar events. In the event of any error in calculation, the Company and Series A-2 Shareholders shall take all necessary measures as soon as possible to cure such error and indemnify the other Shareholders against all losses incurred in connection with or arising out of such error.
"Series A-2 Shares"	means the Series A Shares designated as series A-2 preferred shares of the Company.
"Series A-2 Shareholder"	means a holder of any issued and outstanding Series A-2 Shares.
"Series A-3 Majority"	means, the Series A Shareholder(s) holding at least 50% of the issued and outstanding Series A-3 Shares.
"Series A-3 Purchase Price"	means the purchase price for each Series A-3 Share calculated based on the total amount invested by Da Chen in Qingke Shishang (including the purchase price paid to both Qingke Shishang and the relevant transferors) pursuant to the Previous A-3 Investment Agreements, the median exchange rate between RMB and US$ published by the China Foreign Exchange Trading System (as published on the official website of the People's Bank of China) on February 24, 2014, and the number of Series A-3 Shares outstanding on the date hereof, subject to adjustment as a result of share split, share division, share combination, share dividend, reorganization, mergers, consolidations, reclassifications, exchanges, substitutions, recapitalization or similar events. In the event of any error in calculation, the Company and Series A-3 Shareholders shall take all necessary measures as soon as possible to cure such error and indemnify the other Shareholders against all losses incurred in connection with or arising out of such error.
"Series A-3 Shares"	means the Series A Shares designated as Series A-3 preferred shares of the Company.
"Series A-3 Shareholder"	means a holder of any issued and outstanding Series A-3 Shares.

"Series B Majority"	means the Series B Shareholder(s) holding at least 50% of the issued and outstanding Series B Shares.
"Series B Shares"	means the Series B preferred shares of the Company of US$0.00001 each.
"Series B Shares Issue Date"	means the date on which the Series B Shares are first issued by the Company.
"Series B Shareholder"	means a holder of any issued and outstanding Series B Shares.
"Series B Purchase Price"	means US$0.125 for each Series B Share.
"Series C Majority"	means the Series C Shareholder(s) holding at least 50% of the issued and outstanding Series C Shares.
"Series C Shares"	means the Series C preferred shares of the Company of US$0.00001 each.
"Series C Shares Issue Date"	means the date on which the Series C Shares are first issued by the Company pursuant to the Series C SSA.
"Series C Shareholder"	means a holder of any issued and outstanding Series C Shares.
"Series C SSA"	means the Series C Preferred Share Subscription Agreement dated July 26, 2017 by and among the Company, the Series C Shareholder and certain other parties thereto.
"Series C Subscription Price"	means US$0.25 for each Series C Share.
"Series C-1 Majority"	means the Series C-1 Shareholder(s) holding at least 50% of the issued and outstanding Series C-1 Shares.
"Series C-1 Shares"	means the Series C-1 preferred shares of the Company of US$0.00001 each.
"Series C-1 Shares Issue Date"	means the date on which the Series C-1 Shares are first issued by the Company pursuant to the Series C-1 SSA.
"Series C-1 Shareholder"	means a holder of any issued and outstanding Series C-1 Shares.
"Series C-1 Subscription Price"	means US$0.29 for each Series C-1 Share.
"Series C-1 SSA"	means the Series C-1 Preferred Share Subscription Agreement dated March 16, 2018 by and among the Company, the Series C-1 Shareholder and certain other parties thereto.

"Series C-2 Majority"	means the Series C-2 Shareholder(s) holding at least 50% of the issued and outstanding Series C-2 Shares.
"Series C-2 Shares"	means the Series C-2 preferred shares of the Company of US$0.00001 each.
"Series C-2 Shares Issue Date"	means the date on which the Series C-2 Shares are first issued by the Company pursuant to the Share Subscription Agreement.
"Series C-2 Shareholder"	means a holder of any issued and outstanding Series C-2 Shares.
"Series C-2 Subscription Price"	means US$0. 3045 for each Series C-2 Share.
"Share" and "Shares"	means a share or shares in the Company (including the Ordinary Shares and the Preferred Shares) and includes a fraction of a share.
"Share Subscription Agreement"	means that the Series C-2 Preferred Share Subscription Agreement dated January 30, 2019 by and among the Company, the Series C-2 Shareholder and certain other parties thereto.
"Shareholder" and "Shareholders"	means a holder or holders of the Shares.
"Shareholders' Agreement"	means that the Third Amended and Restated Shareholders' Agreement dated June 3, 2019 by and among the Company, the Preferred Shareholders and certain other parties thereto.
"Special Resolution"	has the same meaning as in the Statute, and includes a unanimous written resolution.
"Statute"	means the Companies Law (2016 Revision) of the Cayman Islands and every statutory modification or re-enactment thereof for the time being in force.
"Subsidiary"	means, (i) in respect of any Person, any corporation, company (including any limited Liability company), association, partnership, joint venture or other business entity of which at least a majority of the total voting power of the voting stock is at the time owned or controlled (including contractual control), directly or indirectly, by: (a) such Person,

(b) such Person and one or more Subsidiaries of such Person, or

(c) one or more Subsidiaries of such Person.

and (ii) in respect of the Company, any of its PRC Subsidiaries in addition to any Subsidiary described above, any Person Controlled directly or indirectly by any of the foregoing and any Person whose financial statements are consolidated into those of the Company under the applicable accounting standards.

"Total Internal Rate of Return" means, in respect of a Series C Share, the annual rate based on a 365-day period used to discount each cash flow in respect of such Series C Share (such cash flow to include subscription or purchase consideration, cash dividends and distributions received, and cash received from redemption of shares) to the date of payment in full of such Series C Preference Amount or Series C Redemption Price (as the case may be) such that the present value of the aggregate cash flow equals zero.

"Trade Sale" means any of the following transactions:

(i) the merger or acquisition of any Group Company (whether by a sale of equity, merger, consolidation, amalgamation or scheme of arrangement) in which in excess of 50% of such Group Company's voting power outstanding before such transaction is transferred; or

(ii) the sale or other disposition of all or substantially all of the Equity Securities of any Group Company, or all or substantially all of the assets or businesses of any Group Company.

"Transaction Documents" means, collectively:

(i) for the purposes of Section 2.3 of Schedule A, the Series C SSA, the Shareholders' Agreement, this Second Amended and Restated Memorandum and Articles of Association, the director indemnification agreement the form of which is attached to the Series C SSA as Exhibit XI, as amended from time to time, the Management Rights Letter, the non-compete letter the form of which is attached to the Series C SSA as Exhibit VIII, as amended from time to time, the Control Documents and all ancillary documents as referred to in such documents;

(ii) for the purposes of Section 2.2 of Schedule A, the Series C-1 SSA, the Shareholders' Agreement, this Second Amended and Restated Memorandum and Articles of Association, the director indemnification agreement the form of which is attached to the Series C-1 SSA as Exhibit X, as amended from time to time, the Management Rights Letter, the non-compete letter the form of which is attached to the Series C-1 SSA as Exhibit VII, as amended from time to time, the Control Documents and all ancillary documents as referred to in such documents;

(iii) for all other purposes, the Share Subscription Agreement, the Shareholders' Agreement, this Second Amended and Restated Memorandum and Articles of Association, the Management Rights Letter, the Control Documents and all ancillary documents as referred to in such documents.

"Transfer"	means any direct or indirect transfer, sale, assignment or any other disposal (including creation of any encumbrance), and its verb form and the terms of "transferor" and "transferee" shall have the meaning correlative to the foregoing. In the case that any Share is held by its ultimate beneficial owner through one or more level of holding companies, any transfer, repurchase, or new issuance of the shares of such holding companies or similar transactions that have the effect of change the beneficial ownership of such Share shall be deemed as an indirect transfer of such Shares. The restrictions on the transfer of the Shares held by the Founder Parties contained in these Articles shall apply to such indirect transfer and shall not be circumvented by means any indirect transfer of the Shares.
"U.S."	means the United States of America.
"US GAAP"	means the generally accepted accounting principles of the United States of America.
"US Subsidiary"	means QK365.Com, Inc., a corporation incorporated under the Laws of the State of Delaware.
"US$"	means the lawful currency of the United States of America from time to time.
"Warrantors"	means, collectively, the Group Companies, the Founder and the Holding Company.
"WFOE"	means Q&K Investment Consulting Co., Ltd. (□□□□□□□□□□□□), a limited liability company established under the PRC Laws.
"Youzhen"	means YOUZHEN INC.

In addition, the following terms shall have the meanings as defined in the Sections or Exhibits set forth below:

"Appraiser"	Section 51
"Approved Sale Date"	Section 5.6 of Schedule A
"Drag-Along Notice"	Section 5.6 of Schedule A
"IPO Approval Event"	Section 2.4(b) of Schedule A
"Issuance Notice"	Section 7.2(a)
"Issuance Shares"	Section 7.1
"New Price"	Section 3.4(a)(i) of Schedule A
"Over-Allotment Issuance Shares"	Section 7.2(c)
"Over-Allotment Transfer Shares"	Section 47.2(c)
"Potential Purchaser"	Section 5.1 of Schedule A
"Potential Subscriber"	Section 7.1
"Potential Transferee"	Section 47.1
"PR Holder"	Section 7
"Preemptive Right"	Section 7.1
"Preferred Right of First Offer"	Section 48.1
"Preferred Right of First Refusal"	Section 47.1
"Preferred ROFR Holder"	Section 47
"Purchasing PR Holder"	Section 7.2(c)
"Purchasing ROFR Holder"	Section 47.2(c)
"Redeeming Series B Shareholders"	Section 2.4(a) of Schedule A
"Redeeming Series C Shareholder"	Section 2.3 of Schedule A
"Redeeming Series C-1 Shareholder"	Section 2.2 of Schedule A
"Redeeming Series C-2 Shareholder"	Section 2.1 of Schedule A
"Right of Co-Sale"	Section 49.1
"ROCS Holder"	Section 49
"ROFO Acceptance Notice"	Section 48.2(c)
"ROFO Acceptance Period"	Section 48.2(c)
"ROFO Exercise Notice"	Section 48.2(b)
"ROFO Exercise Period"	Section 48.2(b)
"Series A Director" or "Series A Directors"	Section 4.2(e) of Schedule A
"Series A-1 Conversion Price"	Section 3.1(g) of Schedule A
"Series A-2 Conversion Price"	Section 3.1(f) of Schedule A
"Series A-1 Director"	Section 4.2(d) of Schedule A
"Series A-3 Conversion Price"	Section 3.1(e) of Schedule A
"Series A Preference Amount"	Section 1(d) of Schedule A
"Series B Approved Sale"	Section 5.4 of Schedule A
"Series B Conversion Price"	Section 3.1(d) of Schedule A
"Series B Directors"	Section 4.2(c) of Schedule A
"Series B Drag-Along Shareholders"	Section 5.4 of Schedule A
"Series B Dragged Shareholders"	Section 5.4 of Schedule A
"Series B Preference Amount"	Section 1(c) of Schedule A
"Series B Redemption Date"	Section 2.4(a) of Schedule A
"Series B Redemption Notice"	Section 2.4(a) of Schedule A
"Series B Redemption Price"	Section 2.4(a) of Schedule A
"Series C Approved Sale"	Section 5.3 of Schedule A
"Series C Conversion Price"	Section 3.1(c) of Schedule A
"Series C Director"	Section 4.2(a) of Schedule A

"Series C Drag-Along Shareholder"	Section 5.3 of Schedule A
"Series C Dragged Shareholders"	Section 5.3 of Schedule A
"Series C Preference Amount"	Section 1(b) of Schedule A
"Series C Redemption Date"	Section 2.3 of Schedule A
"Series C Redemption Notice"	Section 2.3 of Schedule A
"Series C Redemption Price"	Section 2.3 of Schedule A
"Series C Transfer Notice"	Section 48.2(a)
"Series C Transfer Shares"	Section 48.1
"Series C Transferor"	Section 48.1
"Series C-1 Approved Sale"	Section 5.2 of Schedule A
"Series C-1 Conversion Price"	Section 3.1(b) of Schedule A
"Series C-1 Director"	Section 4.2(a) of Schedule A
"Series C-1 Drag-Along Shareholder"	Section 5.2 of Schedule A
"Series C-1 Dragged Shareholders"	Section 5.2 of Schedule A
"Series C-1 Preference Amount"	Section 1(b) of Schedule A
"Series C-1 Redemption Date"	Section 2.2 of Schedule A
"Series C-1 Redemption Notice"	Section 2.1 of Schedule A
"Series C-1 Redemption Price"	Section 2.2 of Schedule A
"Series C-2 Approved Sale"	Section 5.1 of Schedule A
"Series C-2 Conversion Price"	Section 3.1(a) of Schedule A
"Series C-2 Drag-Along Shareholders"	Section 5.1 of Schedule A
"Series C-2 Dragged Shareholders"	Section 5.1 of Schedule A
"Series C-2 Preference Amount"	Section 1(a) of Schedule A
"Series C-2 Redemption Date"	Section 2.1 of Schedule A
"Series C-2 Redemption Notice"	Section 2.1 of Schedule A
"Series C-2 Redemption Price"	Section 2.1 of Schedule A
"Shareholder with Identity Issue"	Section 2.4(b) of Schedule A
"Tag Shares"	Section 49.2(a)
"Third Party Purchaser"	Section 48.2(d)
"Transfer Notice"	Section 47.2(a)
"Transfer Shares"	Section 47.1
"Transferor"	Section 47.1
"Unpaid Redemption Notice"	Section 2.5(h) of Schedule A
"Unredeemed Shareholder"	Section 2.5(h) of Schedule A

In the Articles:

1.1 words importing the singular number include the plural number and vice versa;

1.2 words importing the masculine gender include the feminine gender;

1.3 words importing persons include corporations;

1.4 "written" and "in writing" include all modes of representing or reproducing words in visible form, including in the form of an electronic record;

1.5 references to provisions of any Law or regulation shall be construed as references to those provisions as amended, modified, re-enacted or replaced from time to time;

1.6 any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;

1.7 headings are inserted for reference only and shall be ignored in construing these Articles; and

1.8 in these Articles, Section 8 of the Electronic Transactions Law (2003 Revision) shall not apply.

PRIORITY OF THE PROVISIONS SET OUT IN THE SCHEDULE

2 All provisions set out in the main body of these Articles shall be read in conjunction with and shall be subject to the terms set out in the Schedule A hereto, which provide further details on the rights of Preferred Shareholders. In the event of any inconsistencies between the provisions set out in the main body of these Articles and the provisions set out in the Schedule A hereto, the provisions set out in the Schedule A hereto shall, to the maximum extent permitted under applicable laws, prevail.

COMMENCEMENT OF BUSINESS

3 The business of the Company may be commenced as soon after incorporation as the Directors shall see fit.

4 The Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company, including the expenses of registration.

ISSUE OF SHARES

5 Subject to the other provisions in the Memorandum and Articles, including Section 4.3 of Schedule A, (and to any direction that may be given by the Company in general meeting) and without prejudice to any rights attached to any existing Shares, the Directors may allot, issue, grant Options over or otherwise dispose of Shares (including fractions of a Share) with or without preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise and to such persons, at such times and on such other terms as they think proper.

6 The Company shall not issue Shares to bearer.

PREEMPTIVE RIGHTS

7 Each Preferred Shareholder (a "PR Holder") shall have the Preemptive Right as set forth below.

7.1 Preemptive Right. Subject to Section 4.3 of Schedule A, Section 9.14 of the Shareholders' Agreement and other than in a QIPO, each PR Holder shall have a right (the "Preemptive Right") (but not an obligation) to purchase all or part of its pro rata share, based on its percentage of the issued and outstanding Ordinary Shares, calculated on an as-converted basis, of any New Shares (the "Issuance Shares") that the Company may, from time to time after the Closing, propose to issue to any potential purchaser (the "Potential Subscriber") as set forth in this.

7.2 Procedure.

(a) Issuance Notice. If the Company proposes to issue any New Shares, it shall give each PR Holder a written notice (an "Issuance Notice") of such intention, describing (i) type and number of the New Shares to be issued, (ii) identity of the Potential Subscriber, (iii) price and other material terms and conditions upon which the Company proposes to issue such Issuance Shares and (iv) a valuation report issued by an Appraiser in respect of any non-cash consideration pursuant to Section 5.1 of Schedule A (if applicable).

(b) Exercise. Each PR Holder shall have fifteen (15) days after the receipt of the Issuance Notice to irrevocably elect to purchase all or a portion of its initial pro rata share of the Issuance Shares on the same price and terms and conditions as indicated on the Issuance Notice by notifying the Company in writing of the number of Issuance Shares to be purchased. For the purposes of the Preemptive Right, each PR Holder's "initial pro rata share" shall be determined according to the aggregate number of all Shares held by such PR Holder on the date of the Issuance Notice in relation to the aggregate number of all Shares then issued and outstanding on such date (calculated on an as-converted basis).

(c) Over-Allotment. If any PR Holder fails to elect to purchase all of its initial pro rata share of the Issuance Shares, then such unpurchased Issuance Shares ("Over-Allotment Issuance Shares") shall be made available to each PR Holder who has elected to purchase all of its initial pro rata share of the Issuance Shares for over-allotment (the "Purchasing PR Holder"). The Company shall deliver an over-allotment notice to each Purchasing PR Holder to inform them of the aggregate number of Over-Allotment Issuance Shares that are available for over-allotment. Each Purchasing PR Holder shall have five (5) days after the receipt of such over-allotment notice to irrevocably elect to purchase all or a portion of the Over-Allotment Issuance Shares on the same price and terms and conditions as indicated on the Issuance Notice by notifying the Company in writing of the number of Over-Allotment Issuance Shares to be purchased. If the aggregate number of the Over-Allotment Issuance Shares elected to be purchased by all Purchasing PR Holders in response to such over-allotment notice exceeds the aggregate number of the Over-Allotment Issuance Shares that are available for over-allotment, then the Over-Allotment Issuance Shares shall be allocated among Purchasing PR Holders by allocating to each Purchasing PR Holder the lesser of (A) the difference between the number of Over-Allotment Issuance Shares it elects to purchase and the aggregate number of Over-Allotment Issuance Shares that has already been allocated to it, and (B) its over-allotment pro rata share of the Over-Allotment Issuance Shares that has not yet been allocated, which allocation step shall be repeated until all Over-Allotment Issuance Shares are allocated among the Purchasing PR Holders. Each Purchasing PR Holder who has been allocated all the Over-Allotment Issuance Shares that it has elected to purchase shall cease to participate in any subsequent allocation step. For the purposes of determining the allocation of Over-Allotment Issuance Shares that a Purchasing PR Holder will receive in each allocation step, such Purchasing PR Holder's "over-allotment pro rata share" shall be determined according to the aggregate number of all Shares held by such Purchasing PR Holder on the date of the Issuance Notice in relation to the aggregate number of all Shares held by all Purchasing PR Holders who participate in such allocation step on such date (calculated on an as-converted basis).

(d) Closing. If any PR Holder elects to purchase Issuance Shares, then payment for the Issuance Shares to be purchased shall be made by wire transfer in immediately available funds of the appropriate currency, against delivery of such Issuance Shares to be purchased, at a place and time agreed to by the Company and the PR Holder that have elected to purchase a majority of the Issuance Shares; provided that the scheduled time for closing shall not be later than thirty (30) days, and not earlier than ten (10) Business Days, following the expiration of the last period during which any PR Holder may elect to purchase any Issuance Share (including Over-Allotment Issuance Share).

7.3 Permitted Issuance to Potential Subscriber. For a period of sixty (60) days following the expiration of the last period during which any PR Holder may elect to purchase any Issuance Share (including Over-Allotment Issuance Share), the Company may issue any Issuance Shares with respect to which the PR Holder' Preemptive Rights were not exercised, to the Potential Subscriber identified in the Issuance Notice and at a price and upon terms not more favorable than those specified in the Issuance Notice. In the event the Company has not issued such Issuance Shares (including Over-Allotment Issuance Shares) within such sixty (60) day period, the Company shall not thereafter issue any New Shares, without first again complying with the terms of this Article 7.

7.4 Adherence to these Articles. The Company shall cause each Potential Subscriber to execute and deliver a deed of adherence substantially in form set forth in Exhibit F in the Shareholders' Agreement prior to the issue of any Issuance Share (including an Over-Allotment Issuance Share) to such Potential Subscriber.

ORDINARY SHARES

8 The rights, preferences, privileges and limitations of the Ordinary Shares of the Company are as follows:

8.1 Liquidation. Upon the liquidation, dissolution or winding up of the Company, the assets and funds of the Company shall be distributed as provided in Section 1 of Schedule A.

8.2 Voting Rights. Save as otherwise provided by the Statute and/ or these Articles (including the provisions of Schedule A), the holders of the Class A Ordinary Shares and the Class B Ordinary Shares shall at all times vote together as one class on all resolutions submitted to a vote by the Shareholders. Save as otherwise provided by these Articles (including the provisions of Schedule A), the holder of each Class A Ordinary Share shall have the right to one (1) vote with respect to such Class A Ordinary Share, and the holder of each Class B Ordinary Share shall have the right to one hundred (100) votes with respect to such Class B Ordinary Share. The holder of each Ordinary Share shall be entitled to notice of any general meeting in accordance with these Articles, and shall be entitled to vote upon such matters and in such manner as may be provided for in these Articles.

8.3 One (1) Class B Ordinary Share is convertible into one (1) Class A Ordinary Share at any time by the holder thereof. The right to convert shall be exercisable by the holder of the Class B Ordinary Shares by delivering a written notice to the Company that such holder elects to convert a specified number of Class B Ordinary Shares into Class A Ordinary Shares.

8.4 Any number of Class B Ordinary Shares held by a holder thereof will be automatically and immediately converted into an equal number of Class A Ordinary Shares upon the occurrence of any of the following:

(a) any direct or indirect sale, Transfer, assignment or disposition of such number of Class B Ordinary Shares by the holder thereof or an Interested Party of such holder, or any direct or indirect Transfer or assignment of the voting power attached to such number of Class B Ordinary Shares through voting proxy or otherwise to any Person that is not an Interested Party of such holder;

for avoidance of doubt, the creation of any pledge, charge, encumbrance or other third party rights of whatever on any Class B Ordinary Share to secure contractual or legal obligations shall not be deemed as a sale, Transfer, assignment or disposition of such Class B Ordinary Share unless and until any such pledge, charge, encumbrance or any other third party right is enforced and results in the third party holding directly or indirectly beneficial ownership or voting power through voting proxy or otherwise to such Class B Ordinary Shares, in which case all such number of Class B Ordinary Shares shall be automatically converted into the same number of Class A Ordinary Shares; or

(b) any direct or indirect sale, Transfer, assignment or disposition of a majority of the issued and outstanding voting securities of, or any direct or indirect Transfer or assignment of the voting power attached to such voting securities through voting proxy or otherwise, or any direct or indirect sale, Transfer, assignment or disposition of all or substantially all of the assets of a holder of Class B Ordinary Shares that is an entity to any Person that is not an Interested Party of such holder;

for avoidance of doubt, the creation of any pledge, charge, encumbrance or other third party rights of whatever on any issued and outstanding voting securities or the assets of a holder of Class B Ordinary Shares that is an entity to secure contractual or legal obligations shall not be deemed as a sale, Transfer, assignment or disposition under this clause (b) unless and until any such pledge, charge, encumbrance or any other third party right is enforced and results in the third party holding directly or indirectly beneficial ownership or voting power through voting proxy or otherwise to such issued and outstanding voting securities or the assets;

(c) the Founder ceasing to be a director and the chief executive officer of the Company;

(d) the Founder ceasing to be the ultimate beneficial owner of any outstanding Class B Ordinary Shares;

(e) the Founder ceasing to be the ultimate beneficial owner of the Holding Company or any Person who holds Class B Ordinary Shares; or

(f) the Founder Parties being permanently unable to attend board meetings and manage the business affairs of any Group Company as a result of incapacity due to his then physical and/or mental condition (which, for avoidance of doubt, does not include any confinement against his will).

8.5 Any conversion of Class B Ordinary Shares into Class A Ordinary Shares pursuant to these Articles shall be effected by means of re-designation of each such Class B Ordinary Share as a Class A Ordinary Share.

8.6 No Class A Ordinary Shares are convertible into Class B Ordinary Shares under any circumstances.

8.7 Save and except for voting rights and conversion rights as set out in this Article 8, the Class A Ordinary Shares and the Class B Ordinary Shares shall rank pari passu and shall have the same rights, preferences, privileges and restrictions.

REGISTER OF SHAREHOLDERS

9 The Company shall maintain or cause to be maintained the register of members in accordance with the Statute.

CLOSING REGISTER OF MEMBERS OR FIXING RECORD DATE

10 For the purpose of determining Shareholders entitled to notice of, or to vote at any meeting of Shareholders or any adjournment thereof, or Shareholders entitled to receive payment of any dividend, or in order to make a determination of Shareholders for any other purpose, the Directors may provide that the register of members shall be closed for transfers for a stated period which shall not in any case exceed forty (40) days. If the register of members shall be closed for the purpose of determining Shareholders entitled to notice of, or to vote at, a meeting of Shareholders the register of members shall be closed for at least ten (10) days immediately preceding the meeting.

11 In lieu of, or apart from, closing the register of members, the Directors may fix in advance or arrange a date as the record date for any such determination of Shareholders entitled to notice of, or to vote at any meeting of the Shareholders or any adjournment thereof, or for the purpose of determining the Shareholders entitled to receive payment of any dividend or in order to make a determination of Shareholders for any other purpose.

12 If the register of members is not so closed and no record date is fixed for the determination of Shareholders entitled to notice of, or to vote at, a meeting of Shareholders or Shareholders entitled to receive payment of a dividend, the date on which notice of the meeting is sent or the date on which the resolution of the Directors declaring such dividend is adopted, as the case may be, shall be the record date for such determination of Shareholders. When a determination of Shareholders entitled to vote at any meeting of Shareholders has been made as provided in this Article, such determination shall apply to any adjournment thereof.

CERTIFICATES FOR SHARES

13 A Shareholder shall only be entitled to a share certificate if the Directors resolve that share certificates shall be issued. Share certificates representing Shares, if any, shall be in such form as the Directors may determine. Share certificates shall be signed by one or more Directors or other person authorised by the Directors. The Directors may authorise certificates to be issued with the authorised signature(s) affixed by mechanical process. All certificates for Shares shall be consecutively numbered or otherwise identified and shall specify the Shares to which they relate. All certificates surrendered to the Company for transfer shall be cancelled and subject to these Articles, no new certificate shall be issued until the former certificate representing a like number of relevant Shares have been surrendered and cancelled.

14 The Company shall not be bound to issue more than one certificate for Shares held jointly by more than one person and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

15 If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and on the payment of such expenses reasonably incurred by the Company in investigating evidence, as the Directors may prescribe, and (in the case of defacement or wearing out) upon delivery of the old certificate.

REDEMPTION AND REPURCHASE OF SHARES

16 Subject to the Statute and the other provisions in the Memorandum and Articles including Section 4.3 of Schedule A, the Company may issue Shares that are to be redeemed or are liable to be redeemed at the option of the Shareholder or the Company. The redemption of such Shares shall be effected in such manner as the Company may determine before the issue of the Shares or as set forth in the Articles.

17 Subject to the Statute and other provisions in the Memorandum and Articles including Section 4.3 of Schedule A, the Company may purchase its own Shares (including any redeemable Shares).

18 The Company may make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Statute, including out of capital.

VARIATION OF RIGHTS OF SHARES

19 Subject to Schedule A attached hereto, and subject to the Statute and without prejudice to Article 5, all or any of the special rights for the time being attached to the Shares or any class of Shares may, unless otherwise provided by the terms of issue of the Shares of that class, from time to time (whether or not the Company is being wound up) be varied, modified or abrogated with the affirmative vote or written consent of the Series C-2 Majority, the Series C-1 Majority, the Series C Majority, the Series B Majority and the Series A Majority, voting as a separate class at a general meeting of the holders of the Shares of that class. The provisions of these Articles relating to general meetings shall, *mutatis mutandis*, apply to every class meeting of the holders of one class of Shares except that the necessary quorum shall be one or more person(s) holding or representing by proxy at least one third of the issued Shares of the class and that any holder of Shares of the class present in person or by proxy may demand a poll.

20 Subject to Schedule A attached hereto, the rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking pari passu therewith.

COMMISSION ON SALE OF SHARES

21 The Company may, in so far as the Statute permits, pay a commission to any person as consideration of his subscribing or agreeing to subscribe whether absolutely or conditionally for any Shares of the Company. Such commissions may be satisfied by the payment of cash and/or the issue of fully or partly paid-up Shares. The Company may also on any issue of Shares pay such brokerage as may be lawful.

NON RECOGNITION OF TRUSTS

22 The Company shall not be bound by or compelled to recognise in any way (even when notified) any equitable, contingent, future or partial interest in any Share, or (except only as is otherwise provided by these Articles or the Statute) any other rights in respect of any Share other than an absolute right to the entirety thereof in the registered holder.

LIEN ON SHARES

23 The Company shall have a first and paramount lien on all Shares (whether fully paid-up or not) registered in the name of a Shareholder (whether solely or jointly with others) for all debts, liabilities or engagements to or with the Company (whether presently payable or not) by such Shareholder or his estate, either alone or jointly with any other person, whether a Shareholder or not, but the Directors may at any time declare any Share to be wholly or in part exempt from the provisions of this Article. The registration of a transfer of any such Share shall operate as a waiver of the Company's lien thereon. The Company's lien on a Share shall also extend to any amount payable in respect of that Share.

24 The Company may sell, in such manner as the Directors think fit, any Shares on which the Company has a lien, if a sum in respect of which the lien exists is presently payable, and is not paid within fourteen (14) clear days after notice has been given to the holder of the Shares, or to the person entitled to it in consequence of the death or bankruptcy of the holder, demanding payment and stating that if the notice is not complied with the Shares may be sold.

25 To give effect to any such sale the Directors may authorise any person to execute an instrument of transfer of the Shares sold to, or in accordance with the directions of, the purchaser. The purchaser or his nominee shall be registered as the holder of the Shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the sale or the exercise of the Company's power of sale under these Articles.

26 The net proceeds of such sale after payment of costs, shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable and any residue shall (subject to a like lien for sums not presently payable as existed upon the Shares before the sale) be paid to the person entitled to the Shares at the date of the sale.

CALL ON SHARES

27 Subject to the terms of the allotment the Directors may from time to time make calls upon the Shareholders in respect of any monies unpaid on their Shares (whether in respect of par value or premium), and each Shareholder shall (subject to receiving at least fourteen (14) days' notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on the Shares. A call may be revoked or postponed as the Directors may determine. A call may be required to be paid by instalments. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the Shares in respect of which the call was made.

28 A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.

29 The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

30 If a call remains unpaid after it has become due and payable, the person from whom it is due shall pay interest on the amount unpaid from the day it became due and payable until it is paid at such rate as the Directors may determine, but the Directors may waive payment of the interest wholly or in part.

31 An amount payable in respect of a Share on allotment or at any fixed date, whether on account of the par value of the Share or premium or otherwise, shall be deemed to be a call and if it is not paid all the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call.

32 The Directors may issue Shares with different terms as to the amount and times of payment of calls, or the interest to be paid.

33 The Directors may, if they think fit, receive an amount from any Shareholder willing to advance all or any part of the monies uncalled and unpaid upon any Shares held by him, and may (until the amount would otherwise become payable) pay interest at such rate as may be agreed upon between the Directors and the Shareholder paying such amount in advance.

34 No such amount paid in advance of calls shall entitle the Shareholder paying such amount to any portion of a dividend declared in respect of any period prior to the date upon which such amount would, but for such payment, become payable.

FORFEITURE OF SHARES

35 If a call remains unpaid after it has become due and payable the Directors may give to the person from whom it is due not less than fourteen (14) clear days' notice requiring payment of the amount unpaid together with any interest, which may have accrued. The notice shall specify where payment is to be made and shall state that if the notice is not complied with the Shares in respect of which the call was made will be liable to be forfeited.

36 If the notice is not complied with any Share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Directors. Such forfeiture shall include all dividends or other monies declared payable in respect of the forfeited Share and not paid before the forfeiture.

37 A forfeited Share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors think fit and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Directors think fit. Where for the purposes of its disposal a forfeited Share is to be transferred to any person the Directors may authorise some person to execute an instrument of transfer of the Share in favour of that person.

38 A person any of whose Shares have been forfeited shall cease to be a Shareholder in respect of them and shall surrender to the Company for cancellation of the certificate for the Shares forfeited and shall remain liable to pay to the Company all monies which at the date of forfeiture were payable by him to the Company in respect of those Shares together with interest at such rate as may be agreed upon between such person and the Company, but his liability shall cease if and when the Company shall have received payment in full of all monies due and payable by him in respect of those Shares.

39 A certificate in writing under the hand of one Director or officer of the Company that a Share has been forfeited on a specified date shall be conclusive evidence of the fact as against all persons claiming to be entitled to the Share. The certificate shall (subject to the execution of an instrument of transfer) constitute a good title to the Share and the person to whom the Share is disposed of shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

40 The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the par value of the Share or by way of premium as if it had been payable by virtue of a call duly made and notified.

TRANSFER AND TRANSMISSION OF SHARES

41 The instrument of transfer of any Share shall be in writing and shall be executed by or on behalf of the transferor (and if the Directors so require, signed by the transferee). The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the register of members. The Directors may decline to register any transfer of Shares if such transfer of Shares does not comply with the terms of any agreement between the Company and such transferring Shareholder.

42 If a Shareholder dies the survivor or survivors where he was a joint holder, and his legal personal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest. The estate of a deceased Shareholder is not thereby released from any liability in respect of any Share, which had been jointly held by him.

43 Any person becoming entitled to a Share in consequence of the death or bankruptcy or liquidation or dissolution of a Shareholder (or in any other way than by transfer) may, upon such evidence being produced as may from time to time be required by the Directors, elect either to become the holder of the Share or to have some person nominated by him as the transferee. If he elects to become the holder, he shall give notice to the Company to that effect, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by that Shareholder before his death or bankruptcy, as the case may be.

44 If the person so becoming entitled shall elect to be registered himself as holder he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

45 A person becoming entitled to a Share by reason of the death or bankruptcy or liquidation or dissolution of the holder (or in any other case than by transfer) shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Share. However, he shall not, before being registered as a Shareholder in respect of the Share, be entitled in respect of it to exercise any right conferred by ownership in relation to meetings of the Company and the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the Share. If the notice is not complied with within ninety (90) days of being received or deemed to be received as determined pursuant to the Articles, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

RESTRICTIONS ON TRANSFER OF SHARES

46 Transfer Restriction of Founder Parties. At any time prior to the QIPO, each of the Founder Parties shall not Transfer any Shares directly or indirectly owned by them without the prior written consent of the Series C-2 Majority, the Series C-1 Majority, the Series C Majority, the Series B Majority and the Series A Majority, other than any Transfer of Shares pursuant to the enforcement of the Founder Share Charge and the Holding Company Share Charge (each as defined in the Series C SSA).

47 Preferred Right of First Refusal. Each Preferred Shareholder (a "Preferred ROFR Holder") shall have the Preferred Right of First Refusal as set forth below.

47.1 Each Preferred ROFR Holder shall have a right of first refusal (the "Preferred Right of First Refusal") (but not an obligation) to purchase certain portion of the Shares owned by any Founder Party or Ordinary Shares owned by any Ordinary Shareholder (the "Transfer Shares") that the Founder Party or such Ordinary Shareholder (a "Transferor") may propose to transfer, directly or indirectly, in whole or in part, to any bona fide potential transferee (the "Potential Transferee") as set forth in this Article 47.

47.2 Procedure.

(a) Transfer Notice. If any Transferor proposes to transfer any Transfer Shares to any Potential Transferee, then the Transferor shall give the Company and each Preferred ROFR Holder a written notice (the "Transfer Notice") of such intention, describing (i) type and number of the Transfer Shares to be transferred, (ii) identity of the Potential Transferee, (iii) price and other material terms and conditions upon which the Transferor proposes to transfer such Transfer Shares, and (iv) a valuation report issued by an Appraiser in respect of any non-cash consideration pursuant to Section 5.1 of Schedule A (if applicable). The Transfer Notice shall certify that the Transferor has received a definitive offer from the Potential Transferee on the terms set forth in the Transfer Notice.

(b) Exercise. Each Preferred ROFR Holder shall have fifteen (15) days after the receipt of the Transfer Notice to irrevocably elect to purchase all or portion of its initial pro rata share of the Transfer Shares at the same price terms and conditions and subject to the same material terms and conditions as described in the Transfer Notice by notifying the Transferor and the Company in writing of the number of Transfer Shares to be purchased. For the purposes of the Preferred Right of First Refusal, each Preferred ROFR Holder's "initial pro rata share" shall be determined according to the aggregate number of all Shares held by such Preferred ROFR Holder on the date of the Transfer Notice in relation to the aggregate number of all Shares held by all Preferred ROFR Holders on such date (calculated on an as-converted basis).

(c) Over-Allotment. If any Preferred ROFR Holder fails to elect to purchase all of its initial pro rata share of the Transfer Shares, then such unpurchased Transfer Shares (the "Over-Allotment Transfer Shares") shall be made available to each Preferred ROFR Holder who has elected to purchase all of its initial pro rata share of the Transfer Shares for over-allotment (the "Purchasing ROFR Holder"). Upon the earlier of (i) the expiration of the 15-day exercise period as provided under Article 47.2(b) above, or (ii) the time when the Transferor has received the written notice of each Preferred ROFR Holder in respect of its exercise of the Preferred Right of First Refusal, the Transferor shall deliver an over-allotment notice to the Company and each Purchasing ROFR Holder to inform them of the aggregate number of Over-Allotment Transfer Shares that are available for over-allotment. Each Purchasing ROFR Holder shall have five (5) days after the receipt of such over-allotment notice to irrevocably elect to purchase all or a portion of the Over-Allotment Transfer Shares at the same price and subject to the same material terms and conditions as described in the Transfer Notice by notifying the Transferor and the Company in writing of the number of Over-Allotment Transfer Shares to be purchased. If the aggregate number of the Over-Allotment Transfer Shares elected to be purchased by all Purchasing ROFR Holders in response to such over-allotment notice exceeds the aggregate number of the Over-Allotment Transfer Shares that are available for over-allotment, then the number of the Over-Allotment Transfer Shares shall be allocated among Purchasing ROFR Holders by allocating to each Purchasing ROFR Holder the lesser of (A) the number of Over-Allotment Transfer Shares it elects to purchase, and (B) its over-allotment pro rata share of the Over-Allotment Transfer Shares that has not yet been allocated, which allocation step shall be repeated until all Over-Allotment Transfer Shares are allocated among the Purchasing ROFR Holders. Each Purchasing ROFR Holder who has been allocated all the Over-Allotment Transfer Shares that it has elected to purchase shall cease to participate in any subsequent allocation step. For the purposes of determining the allocation of Over-Allotment Transfer Shares that a Purchasing ROFR Holder will receive in each allocation step, such Purchasing ROFR Holder's "over-allotment pro rata share" shall be determined according to the aggregate number of all Shares held by such Purchasing ROFR Holder on the date of the Transfer Notice in relation to the aggregate number of all Shares held by all Purchasing ROFR Holders who participate in such allocation step on such date (calculated on an as-converted basis).

(d) Closing. If any Preferred ROFR Holder elects to purchase the Transfer Shares, then the payment for the Transfer Shares to be purchased shall be made by wire transfer in immediately available funds of the appropriate currency, against delivery of such Transfer Shares to be purchased, at a place and time agreed by the Transferor and the Purchasing ROFR Holder that have elected to purchase a majority of the Transfer Shares, provided that the scheduled time for closing shall not be later than thirty (30) days, and not earlier than ten (10) Business Days, following the expiration of the last period during which any Preferred ROFR Holder may elect to purchase any Transfer Share (including Over-Allotment Transfer Share).

47.3 Permitted Transfer to the Potential Transferee. For a period of sixty (60) days following the expiration of the last period during which any Preferred ROFR Holder may elect to purchase any Transfer Share (including Over-Allotment Transfer Share), subject to the ROCS Holders' Right of Co-Sale under Article 49, the Transferor may sell any remaining Transfer Shares with respect to which the Preferred ROFR Holders' Preferred Right of First Refusal was not exercised, to the Potential Transferee identified in the Transfer Notice and at a price and upon terms not more favorable than these specified in the Transfer Notice. In the event that the Transferor has not sold such Transfer Shares within such sixty (60) day period, the Transferor shall not thereafter sell any Shares, without first again complying with Articles 47 and 49.

48 Preferred Right of First Offer. The Founder shall have the Preferred Right of First Offer as set forth below.

48.1 The Founder shall have a right of first offer (the "Preferred Right of First Offer") (but not an obligation) to purchase the Shares owned by any Series C Shareholder (the "Series C Transfer Shares") that a Series C Shareholder (a "Series C Transferor") may propose to transfer, directly or indirectly, in whole or in part, to a third party as set forth in this Article 48, provided that the Preferred Right of First Offer shall not apply to any Shares proposed to be transferred by a Series C Transferor to management of the Company pursuant to Section 4 of the Share Subscription Agreement or to any of its Affiliates.

48.2 Procedure.

(a) Transfer Notice. If a Series C Transferor proposes to transfer any Series C Transfer Shares to a third party, then the Series C Transferor shall give the Company and the Founder a written notice (the "Series C Transfer Notice") of such intention, describing (i) the name of the Series C Transferor, and (ii) the number of Series C Transfer Shares to be transferred.

(b) Exercise. The Founder shall have fifteen (15) days after the receipt of the Transfer Notice (the "ROFO Exercise Period") to exercise its right to, by delivering a written notice (the "ROFO Exercise Notice") to the Series C Transferor, irrevocably elect to purchase, or nominate another Founder Party to purchase, all, but not less than all, of the Series C Transfer Shares. The ROFO Exercise Notice shall set forth the purchase price and the other terms and conditions upon which the Founder is prepared to purchase all of the Series C Transfer Shares. The failure of the Founder to give a ROFO Exercise Notice within the ROFO Exercise Period shall be deemed to be a waiver of the Founder's Preferred Right of First Offer.

(c) Acceptance Notice. The Series C Transferor shall have thirty (30) days after receipt of the ROFO Exercise Notice (the "ROFO Acceptance Period") to accept the offer in the ROFO Exercise Notice by delivering a written notice (the "ROFO Acceptance Notice") to the Founder. A ROFO Acceptance Notice shall be irrevocable and shall constitute a binding agreement by the Series C Transferor to sell the Series C Transfer Shares in full to the Founder or another Founder Party nominated by the Founder in accordance with the terms and conditions in the ROFO Exercise Notice. The failure of the Series C Transferor to give an ROFO Acceptance Notice within the ROFO Acceptance Period shall be deemed to be non-acceptance of the offer in the ROFO Exercise Notice.

(d) Sale to a Third Party Purchaser. If the Series C Transferor does not accept, or is deemed not to accept, the offer in the ROFO Exercise Notice or the Founder does not deliver a ROFO Exercise Notice within the ROFO Exercise Period, the Series C Transferor may sell all of the Series C Transfer Shares to any person other than a Competitor (the "Third Party Purchaser") provided that (1) such sale is bona fide, (2) if a ROFO Exercise Notice is delivered, the price for the sale to the Third Party Purchaser is at a price not less than the price set forth in the ROFO Exercise Notice and the sale is otherwise on terms and conditions no less favorable to the Series C Transferor than those set forth in the ROFO Exercise Notice.

(e) Closing. Any purchase of the Series C Transfer Shares by the Founder or another Founder Party nominated by the Founder pursuant to the delivery of the ROFO Acceptance Notice to the Founder, shall be completed not later than thirty (30) days, and not earlier than ten (10) Business Days, following the date of the ROFO Acceptance Notice and the Founder shall pay, or procure another Founder Party nominated by the Founder Party, the Purchase Price for the Series C Transfer Shares to the Series C Transferor by wire transfer in immediately available funds against receipt of such payment in full, the Series C Transferor shall deliver to the Founder or another Founder Party nominated by the Founder a duly executed instrument of transfer and share certificate in the name of the Series C Transferor with respect to the Series C Transfer Shares.

49 Right of Co-Sale. Each Preferred Shareholder (a "ROCS Holder") shall have the Right of Co-Sale as set forth below.

49.1 Each ROCS Holder that has not exercised its Preferred Right of First Refusal shall have the right (but not an obligation) to participate in the Transferor's sale of Transfer Shares as set forth in this Article 49 (the "Right of Co-Sale").

49.2 Procedure.

(a) Exercise. If a ROCS Holder does not elect to purchase any Transfer Shares pursuant to the Preferred Right of First Refusal, such ROCS Holder shall have fifteen (15) days after the receipt of the Transfer Notice to irrevocably elect to exercise its Right of Co-Sale related to the sale of the Transfer Shares (the "Tag Shares") at the same price and subject to the same material terms and conditions as described in the Transfer Notice by notifying the Transferor and the Company in writing of the number of Shares intended to be sold by such ROCS Holder. This Right of Co-Sale shall not apply to any sale of Transfer Shares among the Founder Parties or among or to management or employees of the Group Companies.

If the aggregate number of Shares (on an as-converted basis) that the ROCS Holders desire to sell (as evidenced by written notice delivered to the Transferor and the Company) exceeds the number of Tag Shares, each ROCS Holder exercising the Right of Co-Sale will be entitled to sell up to its pro rata share of the Tag Shares.

For the purposes of the Right of Co-Sale, each ROCS Holder's "pro rata share" shall be determined according to the aggregate number of all Shares held by such ROCS Holder on the date of the Transfer Notice in relation to the aggregate number of all Shares held by all ROCS Holders exercising the Right of Co-Sale and the Transferor on such date (calculated on an as-converted basis).

(b) Reduction of Shares Sold by the Transferor. To the extent that any ROCS Holder exercises its Right of Co-Sale, the number of Transfer Shares that the Transferor may sell to the Purchasing ROFR Holder(s) (if any) and the Potential Transferee shall be correspondingly reduced by the aggregate number of the Tag Shares elected to be sold by the ROCS Holder(s).

(c) Closing. The sale of the Tag Shares to the Purchasing ROFR Holder(s) (if any) and the Potential Transferee by the participating ROCS Holders shall be consummated simultaneously with the sale by the Transferor. To the extent that any Purchasing ROFR Holder or any Potential Transferee refuses to purchase any Tag Shares from a ROCS Holder, the Transferor shall not sell to such Purchasing ROFR Holder or Potential Transferee any Shares unless and until, simultaneously with such sale, the Transferor shall purchase from such participating ROCS Holders such Tag Shares that such participating ROCS Holders would otherwise be entitled to sell to the Potential Transferee pursuant to its Right of Co-Sale.

(d) Breach of Co-Sale. If a Transferor breaches any provision of this Article 49.2 as against a ROCS Holder, the ROCS Holder shall have the right to require the Transferor, and the Transferor shall be obliged, to purchase such Tag Shares that such participating ROCS Holder would otherwise be entitled to sell to the Purchasing ROFR Holder and/or the Potential Transferee pursuant to its Right of Co-Sale at the same price and subject to the same material terms and conditions as described in the Transfer Notice within fifteen (15) days after the delivery of written notice by the ROCS Holder to the Transferor.

(e) Permitted Transfer to the Potential Transferee. For a period of sixty (60) days following the expiration of the last period during which any Preferred ROFR Holder may elect to purchase any Transfer Share (including Over-Allotment Transfer Share), subject to the ROCS Holders' Right of Co-Sale under this Article 49, the Transferor may sell any remaining Transfer Shares with respect to which the Preferred ROFR Holders' Preferred Right of First Refusal was not exercised, to the Potential Transferee identified in the Transfer Notice and at a price and upon terms not more favorable than those specified in the Transfer Notice. In the event that the Transferor has not sold such Transfer Shares within such sixty (60) day period, the Transferor shall not thereafter sell any Shares, without first again complying with Articles 47 and 49.

50 Transfer by Preferred Shareholder. Each Preferred Shareholder shall have the right to transfer its shares in the Company to any Affiliate or any third party (other than to a Competitor). None of the holders of Preferred Shares or their Affiliates shall transfer any Preferred Shares or Ordinary Shares (as the case may be) held by such holder to a Competitor, without the prior written consent of the Founder.

51 Valuation of Non-Cash Consideration. If any consideration offered pursuant to Articles 46 to 54 will be payable in property other than cash, then the value of such property shall be determined by an internationally reputable appraiser (the "Appraiser") jointly selected by, (i) in the case of the Preemptive Right, the Company and the Preferred Directors, or (ii) in the case of the Preferred Right of First Refusal, the Transferor, provided that the Appraiser shall not be an appraiser which has provided services to the Company or the Transferor (as applicable) for three (3) years before such appointment. Any valuation by the Appraiser shall be completed prior to an Issuance Notice (in the case of the Preemptive Right) or the Transfer Notice (in the case of the Preferred Right of First Refusal). All costs of the Appraiser shall be borne by (i) in the case of the Preemptive Right, the Company, or (ii) in the case of the Preferred Right of First Refusal, the Transferor.

52 Apportion. Each PR Holder may apportion Issuance Shares that it is entitled to purchase pursuant to its Preemptive Right among its Affiliates; provided that such PR Holder notifies the Company in writing. Each Preferred ROFR Holder may apportion Transfer Shares that it is entitled to purchase pursuant to its Preferred Right of First Refusal among its Affiliates; provided that such Preferred ROFR Holder notifies the Transferor and the Company in writing, and the Preferred ROFR Holder shall cause such Affiliate to execute and deliver a deed of adherence substantially in the form set forth in Exhibit F in the Shareholders' Agreement prior to the issue of any Issuance Share or the Transfer of any Transfer Share to such Affiliate.

53 Effect on Subsequent Transaction. The exercise, non-exercise or waiver of any Preemptive Right, Preferred Right of First Refusal, Preferred Right of First Offer or Right of Co-Sale in respect of a particular issuance or transfer of Shares shall not adversely affect such right in respect of any subsequent issuance or transfer of Shares.

54 Calculation of Shares. The number of Shares shall be calculated on an as converted to Ordinary Shares basis.

55 New Shareholders. Unless otherwise approved by the Series C-2 Majority, the Series C-1 Majority, the Series C Majority, the Series B Majority and the Series A Majority, any new shareholder of the Company who is not already a Party to these Articles shall, not later than the time that it becomes a shareholder of the Company, agree in writing that it adheres to, and will be bound by, the terms of these Articles as a Party to these Articles. Any Shareholder Transferring any Share shall cause the transferee to execute and deliver a deed of adherence substantially in the form set forth in Exhibit F in the Shareholders' Agreement, prior to such Transfer becoming effective.

56 Prohibited Issuance or Transfer Void. The Company agrees that any issuance or transfer of Shares not made in compliance with these Articles shall be null and void as against the Company, shall not be recorded on the register of members of the Company and shall not be recognized by the Company.

57 Registration of transfer pursuant to a security interest. Notwithstanding anything contained in these Articles, the Directors shall not decline to register any transfer of Shares, nor may they suspend registration thereof where such transfer is:

(i) to any person or entity to whom such Shares have been charged by way of security; or

(ii) by any mortgagee or charge, pursuant to the power of sale under such security; or

(iii) by any mortgage or charge in accordance with the terms of the relevant security document.

For the purposes of this Article, a certificate by any official of such mortgagee or charge that the Shares were so charged and/or that the transfer was so executed shall be conclusive evidence of such facts and any references to a mortgagee or charge shall include any nominee of such mortgagee or charge.

REGISTERED OFFICE

58 Subject to the Statute, the Company may by resolution of the Directors change the location of its registered office.

GENERAL MEETINGS

59 All general meetings other than annual general meetings shall be called extraordinary general meetings.

60 The Company shall, if required by the Statute, in each year hold a general meeting as its annual general meeting, and shall specify the meeting as such in the notices calling it. The annual general meeting shall be held at such time and place as the Directors shall appoint and if no other time and place is prescribed by them, it shall be held at the registered office on the second Wednesday in December of each year at ten o'clock in the morning. At these meetings the report of the Directors (if any) shall be presented.

61 The Company may hold an annual general meeting, but shall not (unless required by Statute) be obliged to hold an annual general meeting.

62 The Directors may call general meetings, and they shall on a Shareholders requisition forthwith proceed to convene an extraordinary general meeting of the Company.

63 A Shareholders requisition is a requisition of Shareholders of the Company holding at the date of deposit of the requisition not less than ten percent (10%) of the outstanding capital of the Company which as at that date carries the right of voting at general meetings of the Company.

64 The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the registered office, and may consist of several documents in like form each signed by one or more requisitionists.

65 If the Directors do not within twenty-one (21) days from the date of the deposit of the requisition duly proceed to convene a general meeting to be held within a further twenty-one (21) days, the requisitionists, or any of them representing more than one-half of the total voting rights of all of them, may themselves convene a general meeting, but any meeting so convened shall not be held after the expiration of three (3) months after the expiration of the said twenty-one (21) days.

66 A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

NOTICE OF GENERAL MEETINGS

67 Written notice shall be given not less than ten (10) days nor more than sixty (60) days before the date of any general meeting. Every notice shall be exclusive of the day on which it is given or deemed to be given and of the day for which it is given and shall specify the place, the day and the hour of the meeting and the general nature of the business and shall be given in manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this regulation has been given and whether or not the provisions of the Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:

67.1 in the case of an annual general meeting, by all the Shareholders (or their proxies) entitled to attend and vote thereat; and

67.2 in the case of an extraordinary general meeting, by a majority in number of the Shareholders (or their proxies) having a right to attend and vote at the meeting, being a majority together holding not less than ninety five percent (95%) of the outstanding Shares giving that right.

68 The accidental omission to give notice of a general meeting to, or the non receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings of that meeting.

PROCEEDINGS AT GENERAL MEETINGS

69 No business shall be transacted at any general meeting unless a quorum is present. A general meeting shall be deemed duly constituted if, at the commencement of and throughout the meeting, there are present in person or by proxy the holders of more than fifty percent (50%) of the outstanding Shares entitled to vote (including the Preferred Shareholders).

70 A person may participate at a general meeting by conference telephone or other communications equipment by means of which all the persons participating in the meeting can communicate with each other. Participation by a person in a general meeting in this manner is treated as presence in person at that meeting.

71 Subject to Section 4.3 of Schedule A, a resolution (including a Special Resolution) in writing (in one or more counterparts) signed by all Shareholders for the time being entitled to receive notice of and to attend and vote at general meetings (or, being corporations, signed by their duly authorised representatives) shall be as valid and effective as if the resolution had been passed at a general meeting of the Company duly convened and held.

72 If a quorum is not present within half an hour from the time appointed for the meeting or if during such a meeting a quorum ceases to be present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved and in any other case it shall stand adjourned to the same day in the next week at the same time and place or to such other day, time or such other place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the Shareholders present shall be a quorum.

73 The chairman, if any, of the Board of Directors shall preside as chairman at every general meeting of the Company, or if there is no such chairman, or if he shall not be present within fifteen (15) minutes after the time appointed for the holding of the meeting, or is unwilling to act, the Directors present shall elect one of their number to be chairman of the meeting.

74 If no Director is willing to act as chairman or if no Director is present within fifteen (15) minutes after the time appointed for holding the meeting, the Shareholders present shall choose one of their number to be chairman of the meeting.

75 The chairman may, with the consent of a meeting at which a quorum is present, (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a general meeting is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Otherwise it shall not be necessary to give any such notice.

76 A resolution put to the vote of the meeting shall be decided on a show of hands unless before, or on the declaration of the result of, the show of hands, the chairman demands a poll, or any other Shareholder or Shareholders collectively present in person or by proxy and holding at least ten percent (10%) of the outstanding Shares giving a right to attend and vote at the meeting demand a poll.

77 Unless a poll is duly demanded a declaration by the chairman that a resolution has been carried or carried unanimously, or by a particular majority, or lost or not carried by a particular majority, an entry to that effect in the minutes of the proceedings of the meeting shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

78 The demand for a poll may be withdrawn.

79 Except on a poll demanded on the election of a chairman or on a question of adjournment, a poll shall be taken as the chairman directs, and the result of the poll shall be deemed to be the resolution of the general meeting at which the poll was demanded.

80 A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the general meeting directs, and any business other than that upon which a poll has been demanded or is contingent thereon may proceed pending the taking of the poll.

81 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall not be entitled to a second or casting vote.

VOTES OF SHAREHOLDERS

82 Subject to any rights or restrictions attached to any Shares, on a show of hands every Shareholder who (being an individual) is present in person or by proxy or, if a corporation or other non-natural person is present by its duly authorised representative or proxy, shall have one (1) vote and on a poll every Shareholder shall have one (1) vote for every Share of which he is the holder, except as otherwise provided under Article 8 and Section 4.1 of Schedule A.

83 In the case of joint holders of record the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members.

84 A Shareholder of unsound mind, or in respect of whom an order has been made by any court, having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other person on such Shareholder’s behalf appointed by that court, and any such committee, receiver, curator bonis or other person may vote by proxy.

85 No person shall be entitled to vote at any general meeting or at any separate meeting of the holders of a class of Shares unless he is registered as a Shareholder on the record date for such meeting nor unless all calls or other monies then payable by him in respect of Shares have been paid.

86 No objection shall be raised to the qualification of any voter except at the general meeting or adjourned general meeting at which the vote objected to is given or tendered and every vote not disallowed at the meeting shall be valid. Any objection made in due time shall be referred to the chairman whose decision shall be final and conclusive.

87 On a poll or on a show of hands votes may be cast either personally or by proxy. A Shareholder may appoint more than one proxy or the same proxy under one or more instruments to attend and vote at a meeting. Where a Shareholder appoints more than one proxy the instrument of proxy shall state which proxy is entitled to vote on a show of hands.

88 A Shareholder holding more than one Share need not cast the votes in respect of his Shares in the same way on any resolution and therefore may vote a Share or some or all such Shares either for or against a resolution and/or abstain from voting a Share or some or all of the Shares and, subject to the terms of the instrument appointing him, a proxy appointed under one or more instruments may vote a Share or some or all of the Shares in respect of which he is appointed either for or against a resolution and/or abstain from voting.

PROXIES

89 The instrument appointing a proxy shall be in writing, be executed under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation under the hand of an officer or attorney duly authorised for that purpose. A proxy need not be a Shareholder of the Company.

90 The instrument appointing a proxy shall be deposited at the registered office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company:

90.1 not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or

90.2 in the case of a poll taken more than 48 hours after it is demanded, be deposited as aforesaid after the poll has been demanded and not less than 24 hours before the time appointed for the taking of the poll; or

90.3 where the poll is not taken forthwith but is taken not more than 48 hours after it was demanded be delivered at the meeting at which the poll was demanded to the chairman or to the secretary or to any Director;

provided that the Directors may in the notice convening the meeting, or in an instrument of proxy sent out by the Company, direct that the instrument appointing a proxy may be deposited (no later than the time for holding the meeting or adjourned meeting) at the registered office or at such other place as is specified for that purpose in the notice convening the meeting, or in any instrument of proxy sent out by the Company. The chairman may in any event at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited. An instrument of proxy that is not deposited in the manner permitted shall be invalid.

91 The instrument appointing a proxy may be in any usual or common form and may be expressed to be for a particular meeting or any adjournment thereof or generally until revoked. An instrument appointing a proxy shall be deemed to include the power to demand or join or concur in demanding a poll.

92 Votes given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Share in respect of which the proxy is given unless notice in writing of such death, insanity, revocation or transfer was received by the Company at the registered office before the commencement of the general meeting, or adjourned meeting at which it is sought to use the proxy.

CORPORATE SHAREHOLDERS

93 Any corporation or other non-natural person which is a Shareholder may in accordance with its constitutional documents, or in the absence of such provision by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Shareholders, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual Shareholder.

SHARES THAT MAY NOT BE VOTED

94 Shares in the Company that are beneficially owned by the Company shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding Shares at any given time.

DIRECTORS

95 Except as otherwise provided herein, the number of Directors of the Company shall be determined from time to time by the Board of Directors. The first Directors of the Company shall be determined in writing by, or appointed by a resolution of, the subscriber(s) to the Memorandum. Each Director shall hold office until such Director's successor is elected and qualified or until such Director's earlier resignation or removal. Any Director may resign at any time upon written notice to the Company.

POWERS OF THE DIRECTORS

96 Subject to the Statute and the other provisions in the Memorandum and Articles (including Section 4.3 of Schedule A) and to any directions given by Special Resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. A duly convened meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.

97 Subject to Section 4.3 of Schedule A, all cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Directors shall determine by resolution.

98 Subject to Section 4.3 of Schedule A, the Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

99 Subject to Section 4.3 of Schedule A, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock, mortgages, bonds and other such securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

APPOINTMENT AND REMOVAL OF DIRECTORS

100 Except as otherwise provided in these Articles (including the provisions of Schedule A), Directors shall be appointed by the Shareholders in the manner set out in Section 4.2 of Schedule A.

101 [Intentionally left blank]

VACATION OF OFFICE OF DIRECTOR

102 Subject to the provisions in Schedule A, the office of a Director shall be vacated if:

102.1 he gives notice in writing to the Company that he resigns the office of Director; or

102.2 if he absents himself (without being represented by proxy or an alternate Director appointed by him) from three consecutive meetings of the Board of Directors without special leave of absence from the Directors, and they pass a resolution that he has by reason of such absence vacated office; or

102.3 if he dies, becomes bankrupt or makes any arrangement or composition with his creditors generally; or

102.4 if he is found to be or becomes of unsound mind.

PROCEEDINGS OF DIRECTORS

103 Subject to the other provisions in the Memorandum and Articles, the Directors may regulate their proceedings as they think fit. Subject to the other provisions in the Memorandum and Articles (including Section 4.3 of Schedule A), questions arising at any Board meeting shall be decided by a majority of the votes of the Directors and alternate Directors present at a meeting at which there is a quorum. In the case of an equality of votes, the chairman does not have a second or casting vote. A Director who is also an alternate Director shall be entitled in the absence of his appoint or to a separate vote on behalf of his appoint or in addition to his own vote.

104 A person may participate in a meeting of the Directors or committee of Directors by conference telephone or other communications equipment by means of which all the persons participating in the meeting can communicate with each other at the same time. Participation by a person in a meeting in this manner is treated as presence in person at that meeting. Unless otherwise determined by the Directors the meeting shall be deemed to be held at the place where the chairman is at the start of the meeting.

105 Subject to Section 4.3 of Schedule A, a resolution in writing (in one or more counterparts) signed by all the Directors or all the members of a committee of Directors (an alternate Director being entitled to sign such a resolution on behalf of his appointor) shall be as valid and effectual as if it had been passed at a meeting of the Directors, or committee of Directors as the case may be, duly convened and held.

106 A Director or alternate Director may, or other officer of the Company on the requisition of a Director or alternate Director shall, call a meeting of the Directors by at least five (5) Business Days' notice in writing to every Director and alternate Director which notice shall set forth the general nature of the business to be considered unless notice is waived by all the Directors (or their alternates) either at, before or after the meeting is held.

107 The continuing Directors may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but not for any of the purpose.

108 The Directors may elect a chairman of the Board of Directors and determine the period for which he is to hold office; but if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting.

109 All acts done by any meeting of the Directors or of a committee of Directors (including any person acting as an alternate Director) shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any Director or alternate Director, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and qualified to be a Director or alternate Director as the case may be.

110 Any Director who expects to be unable to attend a Board of Director meeting because of absence, illness or otherwise, may appoint any Person to be an alternate Director to act in his stead and such appointee whilst he holds office as an alternate Director shall, in the event of absence therefrom of his appointor, be entitled to attend the Board of Director meeting and to vote thereat and to do, in the place and stead of his appointor, any other act or thing that his appointor is permitted or required to do by virtue of his being a Director as if the alternate Director were the appointor, other than appointment of an alternate to himself, and he shall ipso facto vacate office if and when his appointor ceases to be a Director or removes the appointee from office.

PRESUMPTION OF ASSENT

111 A Director of the Company who is present at a meeting of the Board of Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the chairman or secretary of the meeting before the adjournment thereof or shall forward such dissent by registered post to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

DIRECTORS' INTERESTS

112 A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.

113 A Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director or alternate Director.

114 A Director or alternate Director of the Company may become a director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such Director or alternate Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company.

115 No person shall be disqualified from the office of Director or alternate Director or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director or alternate Director shall be in any way interested be or be liable to be avoided, nor shall any Director or alternate Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or transaction by reason of such Director holding office or of the fiduciary relation thereby established. A Director (or his alternate Director in his absence) shall be at liberty to vote in respect of any contract or transaction in which he is interested provided that the nature of the interest of any Director or alternate Director in any such contract or transaction shall be disclosed by him at or prior to its consideration and any vote thereon, provided that, if a Ordinary Director (or her alternate in her absence) is interested in a transaction with the Company (including any repurchase of Shares by the Company from the Holding Company), she shall be disqualified from or abstained from voting in respect of such transaction if any Preferred Director so requires.

116 A general notice that a Director or alternate Director is a shareholder, director, officer or employee of any specified firm or company and is to be regarded as interested in any transaction with such firm or company shall be sufficient disclosure for the purposes of voting on a resolution in respect of a contract or transaction in which he has an interest, and after such general notice it shall not be necessary to give special notice relating to any particular transaction.

MINUTES

117 The Directors shall cause minutes to be made in books kept for the purpose of all appointments of officers made by the Directors, all proceedings at meetings of the Company or the holders of any class of Shares and of the Directors, and of committees of Directors including the names of the Directors or alternate Directors present at each meeting.

DELEGATION OF DIRECTORS' POWERS

118 The Directors may delegate any of their powers to any committee consisting of one or more Directors. They may also delegate to any managing Director or any Director holding any other executive office such of their powers as they consider desirable to be exercised by him provided that an alternate Director may not act as managing Director and the appointment of a managing Director shall be revoked forthwith if he ceases to be a Director. Subject to Section 4.3 of Schedule A, any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of a committee of Directors shall be governed by the Articles regulating the proceedings of Directors, so far as they are capable of applying.

119 The Directors may establish any committees, local boards or agencies or appoint any person to be a manager or agent for managing the affairs of the Company and may appoint any person to be a member of such committees or local boards. Subject to Section 4.3 of Schedule A, any such appointment may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked or altered. Subject to any such conditions, the proceedings of any such committee, local board or agency shall be governed by the Articles regulating the proceedings of Directors, so far as they are capable of applying.

120 The Directors may by power of attorney or otherwise appoint any person to be the agent of the Company on such conditions as the Directors may determine, provided that the delegation is not to the exclusion of their own powers and may be revoked by the Directors at any time.

121 The Directors may by power of attorney or otherwise appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or authorised signatory of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with any such attorneys or authorised signatories as the Directors may think fit and may also authorise any such attorney or authorised signatory to delegate all or any of the powers, authorities and discretions vested in him.

122 Subject to Section 4.3 of Schedule A, the Directors may appoint such officers as they consider necessary on such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors may think fit. Unless otherwise specified in the terms of his appointment and subject to Section 4.3 of Schedule A, an officer may be removed by resolution of the Directors or Shareholders.

ALTERNATE DIRECTORS

123 Any Director (other than an alternate Director) may by writing appoint any other Director, or any other person willing to act, to be an alternate Director and by writing may remove from office an alternate Director so appointed by him.

124 An alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at every such meeting at which the Director appointing him is not personally present, and generally to perform all the functions of his appointor as a Director in his absence.

125 An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director.

126 Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.

127 An alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and shall not be deemed to be the agent of the Director appointing him.

NO MINIMUM SHAREHOLDING

128 A Director is not required to hold Shares.

REMUNERATION OF DIRECTORS

129 The remuneration to be paid to the Directors, if any, shall be such remuneration as the Directors shall determine. The Directors shall also be entitled to reimbursement, of all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors, or general meetings of the Company, or separate meetings of the holders of any class of Shares or debentures of the Company, or otherwise in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Directors, or a combination partly of one such method and partly the other.

130 Subject to Section 4.3 of Schedule A, the Directors may by resolution approve additional remuneration to any Director for any services other than his ordinary routine work as a Director. Any fees paid to a Director who is also counsel or solicitor to the Company, or otherwise serves it in a professional capacity shall be in addition to his remuneration as a Director.

SEAL

131 The Company may, if the Directors so determine, have a Seal. The Seal shall only be used by, subject to Section 4.3 of Schedule A, the authority of the Directors or of a committee of the Directors authorised by the Directors. Every instrument to which the Seal has been affixed shall be signed by at least one (1) person who shall be either a Director or some officer or other person appointed by the Directors for the purpose.

132 The Company may have for use in any place or places outside the Cayman Islands a duplicate Seal or Seals each of which shall be a facsimile of the common Seal of the Company and, if the Directors so determine, with the addition on its face of the name of every place where it is to be used.

133 A Director, officer, representative or attorney of the Company may without further authority of the Directors affix the Seal over his signature alone to any document of the Company required to be authenticated by him under seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.

DIVIDENDS, DISTRIBUTIONS AND RESERVE

134 Subject to the Statute and the other provisions in the Memorandum and Articles (including Section 4.3 of Schedule A), the Directors may declare dividends and distributions on Shares in issue and authorise payment of the dividends or distributions out of the funds of the Company lawfully available therefor. No dividend or distribution shall be paid except out of the realised or unrealised profits of the Company, or out of the share premium account or as otherwise permitted by the Statute.

135 No dividends or distributions of any nature whatsoever shall be paid on or in respect of any Ordinary Shares unless and until a dividend in like amount has been first paid in full on the Series A Shares, Series B Shares, Series C Shares, Series C-1 Shares and Series C-2 Shares (in each case pro rata, on an as-converted basis). In the case of any such Dividend or distribution that is so consented to, the Company shall concurrently therewith pay to the holders of the Preferred Shares the amount of such dividend and/or distribution with respect to all outstanding Preferred Shares on an as-converted basis as set forth in Article 135.

136 The Directors may deduct from any dividend or distribution payable to any Shareholder all sums of money (if any) then payable by him to the Company on account of calls or otherwise.

137 Subject to Schedule A attached hereto, the Directors may declare that any dividend or distribution be paid wholly or partly by the distribution of specific assets and in particular of shares, debentures, or securities of any other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Directors (including the Preferred Directors) may settle the same as they think expedient and in particular may issue fractional Shares and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Shareholders upon the basis of the value so fixed in order to adjust the rights of all Shareholders and may vest any such specific assets in trustees as may seem expedient to the Directors (including the Preferred Directors).

138 Any dividend, distribution, interest or other monies payable in cash in respect of Shares may be paid by wire transfer to the holder or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of the holder who is first named on the register of members or to such person and to such address as such holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any two or more joint holders may give effectual receipts for any dividends, bonuses, or other monies payable in respect of the Share held by them as joint holders.

139 No dividend or distribution shall bear interest against the Company.

140 Any dividend which cannot be paid to a Shareholder and/or which remains unclaimed after six (6) months from the date of declaration of such dividend may, in the discretion of the Directors, be paid into a separate account in the Company's name, provided that the Company shall not be constituted as a trustee in respect of that account and the dividend shall remain as a debt due to the Shareholder. Any dividend which remains unclaimed after a period of six (6) years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

CAPITALISATION

141 Subject to Section 4.3 of Schedule A, the Directors may capitalise any sum standing to the credit of any of the Company's reserve accounts (including share premium account and capital redemption reserve fund) or any sum standing to the credit of profit and loss account or otherwise available for distribution and to appropriate such sum to Shareholders in the proportions in which such sum would have been divisible amongst them had the same been a distribution of profits by way of dividend and to apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid. In such event the Directors shall do all acts and things required to give effect to such capitalisation, with full power to the Directors to make such provisions as they think fit for the case of Shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Shareholders concerned). The Directors may authorise any person to enter on behalf of all of the interested Shareholders into an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

BOOKS OF ACCOUNT

142 The Directors shall cause proper books of account to be kept with respect to all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place, all sales and purchases of goods by the Company and the assets and liabilities of the Company. Such books of account must be retained for a minimum period of five (5) years from the date on which they are prepared. Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

143 In addition to the Company's contractual rights but subject to the Company's contractual obligations, the Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Shareholders not being Directors and no Shareholder (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Statute or authorised by the Directors or by the Company in general meeting or set forth in any agreement to which the Company is a party.

144 The Directors may from time to time cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by Law.

AUDIT

145 The Directors may appoint an Auditor of the Company who shall hold office until removed from office, subject to Section 4.3 of Schedule A, by a resolution of the Directors, and may fix his or their remuneration.

146 Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditor.

147 Auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment in the case of a company which is registered with the Registrar of Companies as an ordinary company, and at the next extraordinary general meeting following their appointment in the case of a company which is registered with the Registrar of Companies as an exempted company, and at any other time during their term of office, upon request of the Directors, the Series C-2 Majority, the Series C-1 Majority, the Series C Majority or any general meeting of the Shareholders.

NOTICES

148 Notices shall be in writing and may be given or made (and shall be deemed to have been duly given or made upon receipt) by the Company to any Shareholder either personally or by sending it by courier, registered or certified mail (postage prepaid, return receipt requested) fax or e-mail to him or to his address as shown in the register of members (or where the notice is given by e-mail by sending it to the e-mail address provided by such Shareholder). Any notice, if posted from one country to another, is to be sent via FedEx or a similar internationally recognized overnight courier service.

149 Where a notice is sent by next-day or second-day courier service, service of the notice shall be deemed to be effected by properly addressing, pre-paying and sending by next-day or second-day service through an internationally-recognized courier a letter containing the notice, with a written confirmation of delivery, and to have been effected at the earlier of (i) delivery (or when delivery is refused) and (ii) expiration of two (2) Business Days after the letter containing the same is sent as aforesaid. Where a notice is sent by fax or e-mail, service of the notice shall be deemed to be effected by properly addressing, and sending such notice through a transmitting organization, with a written confirmation of delivery, and to have been effected on the day the same is sent as aforesaid, if such day is a Business Day and if sent during normal business hours of the recipient, otherwise the next Business Day. Notwithstanding the foregoing, to the extent a “with a copy to” address is designated, notice must also be given to such address in the manner above for such notice, request, consent or other communication hereunder to be effective.

150 A notice may be given by the Company to the person or persons which the Company has been advised are entitled to a Share or Shares in consequence of the death or bankruptcy of a Shareholder in the same manner as other notices which are required to be given under these Articles and shall be addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address supplied for that purpose by the persons claiming to be so entitled, or at the option of the Company by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

151 Notice of every general meeting shall be given in any manner herein before authorised to every person shown as a Shareholder in the register of members on the record date for such meeting except that in the case of joint holders the notice shall be sufficient if given to the joint holder first named in the register of members and every person upon whom the ownership of a Share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Shareholder of record where the Shareholder of record but for his death or bankruptcy would be entitled to receive notice of the meeting, and no other person shall be entitled to receive notices of general meetings.

INDEMNITY

152 Every Director, agent or officer of the Company shall be indemnified to the fullest extent permissible under the Law against any liability incurred by him as a result of any act or failure to act in carrying out his functions other than such liability (if any) that he may incur by his own actual fraud or wilful default. No such Director, agent or officer shall be liable to the Company for any loss or damage in carrying out his functions unless that liability arises through the actual fraud or wilful deceit of such Director, agent or officer. References in this Article to actual fraud or wilful default mean a finding to such effect by a competent court in relation to the conduct of the relevant party.

FINANCIAL YEAR

153 Unless of Directors otherwise prescribe, the financial year of the Company shall end on 30th September in each year and, following the year of incorporation, shall begin on 1st of October in each year.

TRANSFER BY WAY OF CONTINUATION

154 If the Company is exempted as defined in the Statute, it shall, subject to the provisions of the Statute and the Memorandum and the Articles (including Section 4.3 of Schedule A) and with the approval of a Special Resolution, have the power to register by way of continuation as a body corporate under the Laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

SUPREMACY CLAUSE

155 If any provisions of these Articles at any time conflict with any of the provisions of the Shareholders' Agreement, the provisions of the Shareholders' Agreement shall prevail between the Shareholders only and the Shareholders shall whenever necessary exercise all voting and other rights and powers available to them to procure the amendment of these Articles to the extent necessary to permit the control, direction, business and affairs of the Company and matters pertaining to the rights of Shareholders to be carried out in accordance with the Shareholders' Agreement.

SCHEDULE A

Rights, Preferences and Privileges of Preferred Shares

The rights, preferences and privileges granted to and imposed on the Preferred Shares are as set forth in this Schedule A. This Schedule A is an attachment to the main body of the Memorandum and Articles and form a part of the Memorandum and Articles. All provisions set out in the main body of the Memorandum and Articles shall be read in conjunction with and shall be subject to the terms set out in this Schedule A. In the event of any inconsistencies between the provisions set out in the main body of the Memorandum and Articles and the provisions set out in this Schedule A, the provisions set out in this Schedule A shall, to the maximum extent permitted under applicable laws, prevail.

All references in this Schedule A to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of this Schedule A unless explicitly stated otherwise.

1. LIQUIDATION

In a Liquidation Event, all assets and funds of the Company legally available for distribution to the Shareholders shall, by reason of the Shareholders' ownership of the Shares, be distributed as follows:

(a) Prior and in preference to any distribution of any of the assets of the Company to the Ordinary Shareholders, the Series A Shareholders, the Series B Shareholders, the Series C Shareholder or the Series C-1 Shareholder, each Series C-2 Shareholder shall be entitled to receive for each outstanding Series C-2 Share held, an amount equal to one hundred percent (100%) of the Series C-2 Subscription Price, plus an amount that gives a compounded annualized return of fifteen percent (15%) of the Series C-2 Subscription Price, calculated from the Series C-2 Shares Issue Date to the date on which the Series C-2 Preference Amount is paid in full, and all accrued or declared but unpaid dividends (the "Series C-2 Preference Amount"); provided that, if the Company's assets and funds are insufficient for the full payment of the Series C-2 Preference Amount to all the Series C-2 Shareholders, then the entire assets and funds of the Company legally available for distribution shall be distributed ratably among the Series C-2 Shareholders in proportion to the aggregate Series C-2 Preference Amount each such Series C-2 Shareholder is otherwise entitled to receive pursuant to this Section 1(a);

(b) After distribution or payment in full of the Series C-2 Preference Amount pursuant to Section 1(a), if there are remaining assets and funds of the Company available for distribution, prior and in preference to any distribution of any of the assets of the Company to the Ordinary Shareholders, the Series A Shareholders or the Series B Shareholders, each Series C-1 Shareholder and each Series C Shareholder shall be entitled to receive the amounts as calculated below respectively on a *pari passu* basis: (i) each Series C-1 Shareholder shall be entitled to receive for each outstanding Series C-1 Share held, an amount equal to one hundred percent (100%) of the Series C-1 Subscription Price, plus an amount that gives a compounded annualized return of fifteen percent (15%) of the Series C-1 Subscription Price, calculated from the Series C-1 Shares Issue Date to the date on which the Series C-1 Preference Amount is paid in full, and all accrued or declared but unpaid dividends (the "Series C-1 Preference Amount"), and (ii) each Series C Shareholder shall be entitled to receive for each outstanding Series C Share held, an amount equal to one hundred percent (100%) of the Series C Subscription Price, plus an amount that gives a Total Internal Rate of Return equal to fifteen percent (15%) per annum, calculated from the Series C Shares Issue Date to the date on which the Series C Preference Amount is paid in full, and all declared but unpaid dividends (the "Series C Preference Amount"); provided that, if the Company's assets and funds are insufficient for the full payment of the Series C-1 Preference Amount to all the Series C-1 Shareholders and the full payment of the Series C Preference Amount to all the Series C Shareholders, then (x) the entire assets and funds of the Company legally available for distribution shall be allocated so that 45% of such assets and funds are apportioned for distribution to the Series C Shareholders and 55% are apportioned for distribution to the Series C-1 Shareholders, deeming the Series C Shares and the Series C-1 Shares respectively as a single class, (y) such assets and funds apportioned for distribution to the Series C Shareholders shall be distributed ratably among the Series C Shareholders in proportion to the aggregate Series C Preference Amount each such Series C Shareholder is otherwise entitled to receive pursuant to this Section 1(b), and (z) such assets and funds apportioned for distribution to the Series C-1 Shareholders shall be distributed ratably among the Series C-1 Shareholders in proportion to the aggregate Series C-1 Preference Amount each such Series C-1 Shareholder is otherwise entitled to receive pursuant to this Section 1(b);

(c) After distribution or payment in full of the Series C-2 Preference Amount pursuant to Section 1(c), the Series C-1 Preference Amount and the Series C Preference Amount pursuant to Section 1(a), if there are remaining assets and funds of the Company available for distribution, the Series B Shareholders shall be entitled to receive for each outstanding Series B Share held, an amount equal to one hundred percent (100%) of the Series B Purchase Price, plus an amount that indicates an internal rate of return equal to twelve percent (12%) per annum, and all declared but unpaid dividends (the "Series B Preference Amount"); provided that, if the Company's assets and funds are insufficient for the full payment of the Series B Preference Amount to all the Series B Shareholders, then the entire assets and funds of the Company legally available for distribution shall be distributed ratably among the Series B Shareholders in proportion to the aggregate Series B Preference Amount each such Series B Shareholder is otherwise entitled to receive pursuant to this Section1(c);

(d) After distribution or payment in full of the Series C-2 Preference Amount, the Series C-1 Preference Amount, the Series C Preference Amount and the Series B Preference Amount pursuant to Section1(a), Section 1(b) and Section 1(c) respectively, if there are remaining assets and funds of the Company legally available for distribution, the Series A Shareholders shall be entitled to receive for each outstanding Series A Share held, an amount equal to one hundred percent (100%) of the Series A Purchase Price, plus all declared but unpaid dividends (the "Series A Preference Amount"), provided that, if the Company's remaining assets and funds are insufficient for the full payment of the Series A Preference Amount to all the Series A Shareholders, then the remaining assets and funds of the Company legally available for distribution shall be distributed ratably among the Series A Shareholders in proportion to the aggregate Series A Preference Amount each such Series A Shareholder is otherwise entitled to receive pursuant to this Section 1(d);

(e) After distribution or payment in full of the Series C-2 Preference Amount, the Series C-1 Preference Amount, the Series C Preference Amount, the Series B Preference Amount and the Series A Preference Amount pursuant to Section 1(a), Section1(b), Section 1(c) and Section 1(d) respectively, the remaining assets and funds of the Company legally available for distribution to the Shareholders shall be distributed ratably among the Shareholders in proportion to the number of Ordinary Shares held by them (on an as-converted basis).

2. REDEMPTION

The Series C-2 Shareholders, the Series C-1 Shareholder, the Series C Shareholder and the Series B Shareholders shall have redemption rights as follows:

2.1 Redemption Right of the Series C-2 Shareholders.

If (i) a QIPO is not completed by 30 June 2021, (ii) a material breach occurs by any Warrantors of any of their respective representations, warranties, covenants or undertakings under the Transaction Documents, and if such has not been cured within thirty (30) days after the issuance of a written notice by any Series C-2 Shareholder to the Company, or (iii) a Series C-1 Put Notice (as defined in the Shareholders' Agreement) or a Series C-1 Redemption Notice or a Series C Put Notice (as defined in the Shareholders' Agreement) or a Series C Redemption Notice or a Series B Redemption Notice has been delivered to the Company, upon written request (the "Series C-2 Redemption Notice") by the Series C-2 Shareholders (each, a "Redeeming Series C-2 Shareholder"), the Company shall, subject to compliance with all applicable laws, redeem part or all of the outstanding Series C-2 Shares held by such Redeeming Series C-2 Shareholder as requested in the Series C-2 Redemption Notice within thirty (30) days after the date of receipt of such request or such other date as agreed by the Company and such Redeeming Series C-2 Shareholder (the "Series C-2 Redemption Date"). The redemption price for each Series C-2 Share shall be equal to the higher of the following plus any and all declared but unpaid dividends: (i) one hundred percent (100%) of the Series C-2 Subscription Price, plus an amount that gives a compounded annualized return of fifteen percent (15%) of the Series C-2 Subscription Price, calculated from the Series C-2 Shares Issue Date to the date on which the Series C-2 Redemption Price is paid in full, or (ii) the fair market value of such Series C-2 Shares as determined by an independent appraiser jointly appointed by the Redeeming Series C-2 Shareholders and the Company (the "Series C-2 Redemption Price").

2.2 Redemption Right of the Series C-1 Shareholder.

If (i) a QIPO is not completed by 30 June 2021, (ii) a material breach occurs by any Warrantors of any of their respective representations, warranties, covenants or undertakings under the Transaction Documents, and if such has not been cured within thirty (30) days after the issuance of a written notice by any Series C-1 Shareholder to the Company, or (iii) a Series C Put Notice (as defined in the Shareholders' Agreement) or a Series C Redemption Notice or a Series B Redemption Notice has been delivered to the Company, upon written request (the "Series C-1 Redemption Notice") by a Series C-1 Shareholder (each, a "Redeeming Series C-1 Shareholder"), the Company shall, subject to compliance with all applicable laws, redeem part or all of the outstanding Series C-1 Shares held by such Redeeming Series C-1 Shareholder as requested in the Series C-1 Redemption Notice within thirty (30) days after the date of receipt of such request or such other date as agreed by the Company and such Redeeming Series C-1 Shareholder (the "Series C-1 Redemption Date"). The redemption price for each Series C-1 Share shall be equal to the higher of the following plus any and all declared but unpaid dividends: (i) one hundred percent (100%) of the Series C-1 Subscription Price, plus an amount that gives a compounded annualized return of fifteen percent (15%) of the Series C-1 Subscription Price, calculated from the Series C-1 Shares Issue Date to the date on which the Series C-1 Redemption Price is paid in full, or (ii) the fair market value of such Series C-1 Shares as determined by an independent appraiser jointly appointed by the Redeeming Series C-1 Shareholder and the Company (the "Series C-1 Redemption Price").

2.3 Redemption Right of the Series C Shareholder.

If (i) a QIPO is not completed by the earlier of the fourth (4th) anniversary of the Series C Shares Issue Date and 30 June 2021, (ii) a material breach occurs by any Warrantors of any of their respective representations, warranties, covenants or undertakings under the Transaction Documents, and if such has not been cured within thirty (30) days after the issuance of a written notice by any Series C Shareholder to the Company, or (iii) a Series C-1 Put Notice (as defined in the Shareholders' Agreement) or a Series C-1 Redemption Notice or a Series B Redemption Notice has been delivered to the Company, upon written request (the "Series C Redemption Notice") by a Series C Shareholder (each, a "Redeeming Series C Shareholder"), the Company shall redeem part or all of the outstanding Series C Shares held by such Redeeming Series C Shareholder as requested in the Series C Redemption Notice within thirty (30) days after the date of receipt of such request or such other date as agreed by the Company and such Redeeming Series C Shareholder (the "Series C Redemption Date"). The redemption price for each Series C Share shall be equal to the higher of the following plus any and all declared but unpaid dividends: (i) one hundred percent (100%) of the Series C Subscription Price, plus an amount that gives a Total Internal Rate of Return equal to fifteen percent (15%) per annum, calculated from the Series C Shares Issue Date to the date on which the Series C Redemption Price is paid in full, or (ii) the fair market value of such Series C Shares (the "Series C Redemption Price").

2.4 Redemption Right of the Series B Shareholder.

(a) At any time after the earlier of (i) the Company's failure to complete a QIPO before the fourth (4th) anniversary of the Series B Shares Issue Date; or (ii) the occurrence of an IPO Approval Event, upon written request (the "Series B Redemption Notice") by the Series B Majority (the "Redeeming Series B Shareholders") to the Company copied to each Series C Shareholder, the Company shall redeem part or all of the outstanding Series B Shares held by the Series B Shareholders as requested in the Series B Redemption Notice within thirty (30) days after the date of receipt of such request or such other date as agreed by the Company and the Series B Majority (the "Series B Redemption Date"). The redemption price for each Series B Share shall be equal to the higher of the following plus any and all declared but unpaid dividends: (i) one hundred percent (100%) of the Series B Purchase Price, plus an amount that indicates an internal rate of return equal to twelve percent (12%) per annum, calculated from the Series B Shares Issue Date to the date on which the Series B Redemption Price is paid in full, or (ii) the fair market value of such Series B Shares (the "Series B Redemption Price").

(b) For the purpose of this Section 2.4(a), an "IPO Approval Event" means if any Series B Shareholder is aware of the fact or has sufficient reason to believe that, due to the identity of certain other Shareholders of the Company (the "Shareholder with Identity Issue"), the initial public offering of the Company will be subject to the approval of any Government Authority of the PRC, and, upon the written request of such Series B Shareholder, the Warrantors fail to resolve such issue in a manner satisfactory to such Series B Shareholder (including but not limited to, obtaining such approvals, or repurchasing the Shares held by such Shareholder with Identity Issue at a price and condition satisfactory to such Series B Shareholder) within a time period as indicated in such written request.

2.5 Procedure.

(a) If the Company's funds legally available for any redemption of the Series C-2 Shares, Series C-1 Shares, Series C Shares and Series B Shares pursuant hereto are insufficient to permit the payment of the Series C-2 Redemption Price, the Series C-1 Redemption Price, the Series C Redemption Price and the Series B Redemption Price in full in respect of each Series C-2 Share, Series C-1 Share, Series C Share and Series B Share required to be redeemed, then prior to redemption of any Series C-1 Share, Series C Share or Series B Share, all such funds shall be first applied to payment for the redemption of the Series C-2 Shares on a *pari passu* basis; if such funds applied to the redemption of the Series C-2 Shares pursuant hereto are insufficient to permit the payment of the Series C-2 Redemption Price in full in respect of each Series C-2 Share required to be redeemed, the Company shall effect the redemption among the Series C-2 Shareholders requesting such redemption in proportion to the aggregate Series C-2 Redemption Price each such Series C-2 Shareholder is otherwise entitled to receive hereunder;

(b) After payment has been made in full for the redemption of all Series C-2 Shares, prior to redemption of any Series B Shares, all remaining funds legally available shall be then applied to payment for the redemption of the Series C-1 Shares and the redemption of the Series C Shares on a *pari passu* basis. If the Company's funds legally available for any redemption of the Series C-1 Shares and Series C Shares pursuant hereto are insufficient to permit the payment of the Series C-1 Redemption Price and the payment of the Series C Redemption Price in full in respect of each Series C-1 Share and each Series C Share required to be redeemed, 45% of such funds shall be applied to pay for the redemption of the Series C Shares and 55% of such funds shall be applied to pay for the redemption of the Series C-1 Shares.

(c) If such funds applied to the redemption of the Series C-1 Shares pursuant to Section 2.5(b) are insufficient to permit the payment of the Series C-1 Redemption Price in full in respect of each Series C-1 Share required to be redeemed, the Company shall effect the redemption among the Series C-1 Shareholders requesting such redemption in proportion to the aggregate Series C-1 Redemption Price each such Series C-1 Shareholder is otherwise entitled to receive hereunder.

(d) If such funds applied to the redemption of the Series C Shares pursuant to Section 2.5(b) are insufficient to permit the payment of the Series C Redemption Price in full in respect of each Series C Share required to be redeemed, the Company shall effect the redemption among the Series C Shareholders requesting such redemption in proportion to the aggregate Series C Redemption Price each such Series C Shareholder is otherwise entitled to receive hereunder.

(e) After payment has been made in full for the redemption of all Series C-2 Shares, Series C-1 Shares and Series C Shares, then any remaining funds legally available may be used to pay for the redemption of the Series B Shares. If the Company's funds legally available for any redemption of the Series B Shares pursuant hereto are insufficient to permit the payment of the Series B Redemption Price in full in respect of each Series B Share required to be redeemed, the Company shall effect the redemption among the Series B Shareholders requesting such redemption in proportion to the aggregate Series B Redemption Price each such Series B Shareholder is otherwise entitled to receive hereunder.

(f) Without limiting any rights of the holders of the Series C-2 Shares, the Series C-1 Shares, Series C Shares or Series B Shares which are set forth in these Articles, or are otherwise available under law, the balance of any shares subject to redemption hereunder with respect to which the Company has become obligated to pay the redemption payment but which it has not paid in full shall continue to have all the powers, designations, preferences and relative participating, optional, and other special rights (including, without limitation, rights to accrue dividends) which such shares had prior to such date, until the redemption payment has been paid in full with respect to such shares. In addition, if the Company fails (for whatever reason) to redeem any Series C-2 Shares, Series C-1 Shares, Series C Shares or Series B Shares on its due date for redemption then, as from such date until the date on which the same are redeemed the Company shall not declare or pay any dividend nor otherwise make any distribution of or otherwise decrease its profits available for distribution.

(g) Each of the Founder Parties hereby irrevocably and unconditionally guarantees to the holders of the Series C-2 Shares and the Series C-1 Shares the proper and punctual performance by the Company of the Company's obligations under this Section 2; provided, however, the liability of the Founder Parties shall be limited to the Equity Securities of the Company held by the Founder Parties. For the avoidance of doubt, the obligations of the Founder Parties under this Section 2.4(g) to the holders of the Series C-2 Shares and the Series C-1 Shares shall be on a joint and several basis.

(h) For any portion of the Series C-2 Redemption Price, Series C-1 Redemption Price, Series C Redemption Price or Series B Redemption Price not paid by the Company, each holder who has not received the Series C-2 Redemption Price, the Series C-1 Redemption Price, Series C Redemption Price or Series B Redemption Price (the "Unredeemed Shareholder") is entitled to deliver a written notice (the "Unpaid Redemption Notice") to the Company and the Founder Parties. If within thirty (30) days after the issuance of the Unpaid Redemption Notice, the Company and/or the Founder Parties fail to pay the Series C-2 Redemption Price, the Series C-1 Redemption Price, the Series C Redemption Price or the Series B Redemption Price in full, the Unredeemed Shareholder shall be entitled to demand the liquidation of the Company. Each Shareholder of the Company shall, and shall cause any Director appointed by such Shareholder, to approve such proposal of liquidation, and shall execute and deliver any and all documents, and take any action necessary or advisable for the liquidation of the Company in accordance with Section 1 herein above.

3. CONVERSION

The Preferred Shareholders shall have the following rights described below with respect to the conversion of Preferred Shares into Class A Ordinary Shares.

3.1 Conversion Price; Conversion Ratio

(a) Subject to the provisions of Section 3.4, the number of Class A Ordinary Shares to which a Series C-2 Shareholder shall be entitled to receive upon the conversion of any Series C-2 Share shall be the quotient of the Series C-2 Subscription Price divided by the then-effective Series C-2 Conversion Price ("Series C-2 Conversion Price"). The Series C-2 Conversion Price shall initially be the Series C-2 Subscription Price, resulting in an initial conversion ratio for Series C-2 Shares to Class A Ordinary Shares of 1:1, and shall be adjusted from time to time as provided in Section 3.4.

(b) Subject to the provisions of Section 3.4, the number of Class A Ordinary Shares to which a Series C-1 Shareholder shall be entitled to receive upon the conversion of any Series C-1 Share shall be the quotient of the Series C-1 Subscription Price divided by the then-effective Series C-1 Conversion Price ("Series C-1 Conversion Price"). The Series C-1 Conversion Price shall initially be the Series C-1 Subscription Price, resulting in an initial conversion ratio for Series C-1 Shares to Class A Ordinary Shares of 1:1, and shall be adjusted from time to time as provided in Section 3.4.

(c) Subject to the provisions of Section 3.4, the number of Class A Ordinary Shares to which a Series C Shareholder shall be entitled to receive upon the conversion of any Series C Share shall be the quotient of the Series C Subscription Price divided by the then-effective Series C Conversion Price ("Series C Conversion Price"). The Series C Conversion Price shall initially be the Series C Subscription Price, resulting in an initial conversion ratio for Series C Shares to Class A Ordinary Shares of 1:1, and shall be adjusted from time to time as provided in Section 3.4.

(d) Subject to the provisions of Section 3.4, the number of Class A Ordinary Shares to which a Series B Shareholder shall be entitled to receive upon the conversion of any Series B Share shall be the quotient of the Series B Purchase Price divided by the then-effective Series B Conversion Price ("Series B Conversion Price"). The Series B Conversion Price shall initially be the Series B Purchase Price, resulting in an initial conversion ratio for Series B Shares to Class A Ordinary Shares of 1:1, and shall be adjusted from time to time as provided in Section 3.4.

(e) Subject to the provisions of Section 3.4, the number of Class A Ordinary Shares to which a Series A-3 Shareholder shall be entitled to receive upon the conversion of any Series A-3 Share shall be the quotient of the Series A-3 Purchase Price divided by the then-effective Series A-3 Conversion Price ("Series A-3 Conversion Price"). The Series A-3 Conversion Price shall initially be the Series A-3 Purchase Price, resulting in an initial conversion ratio for Series A-3 Shares to Class A Ordinary Shares of 1:1, and shall be adjusted from time to time as provided in Section 3.4.

(f) Subject to the provisions of Section3.4, the number of Class A Ordinary Shares to which a Series A-2 Shareholder shall be entitled to receive upon the conversion of any Series A-3 Share shall be the quotient of the Series A-2 Purchase Price divided by the then-effective Series A-2 Conversion Price ("Series A-2 Conversion Price"). The Series A-2 Conversion Price shall initially be the Series A-2 Purchase Price, resulting in an initial conversion ratio for Series A-2 Shares to Class A Ordinary Shares of 1:1, and shall be adjusted from time to time as provided in Section3.4.

(g) Subject to the provisions of Section 3.4, the number of Class A Ordinary Shares to which a Series A-1 Shareholder shall be entitled to receive upon the conversion of any Series A-1 Share shall be the quotient of the Series A-1 Purchase Price divided by the then-effective Series A-1 Conversion Price ("Series A-1 Conversion Price"). The Series A-1 Conversion Price shall initially be the Series A-1 Purchase Price, resulting in an initial conversion ratio for Series A-1 Shares to Class A Ordinary Shares of 1:1, and shall be adjusted from time to time as provided in Section 3.4.

3.2 Optional Conversion

Each Preferred Share may, at the option of the holder thereof, be converted at any time after the date of issuance of such Preferred Shares, without the payment of any additional consideration, into fully paid and non-assessable Class A Ordinary Shares based on the applicable then-effective Conversion Price for such Preferred Share and the Class A Ordinary Shares resulting from the conversion shall rank pari passu in all respects with the existing issued Class A Ordinary Shares.

3.3 Automatic Conversion

Each Preferred Share shall automatically be converted into Class A Ordinary Share, without the payment of any additional consideration, based on the applicable then-effective Conversion Price for such Preferred Share in effect at the time immediately upon (a) the closing of the QIPO, or (b) with respect to the Series A Shares, the date specified by the written consent or agreement of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the Series A Shares, or (c) with respect to the Series B Shares, the date specified by the written consent or agreement of the holders of at least sixty-six and two-thirds percent (66 2/3%) of the Series B Shares, as the case may be.

3.4 Conversion Price Adjustments

The Conversion Price shall be subject to adjustment from time to time as follows (provided that the Conversion Price shall not fall below the par value of the Shares):

(a) Dilutive Issuance

The adjustments to Conversion Price for dilutive issuance set forth in this Section 3.4(a) shall apply to the Series C-2 Shares, the Series C-1 Shares, Series C Shares and Series B Shares only.

(i) Anti-dilution Adjustment for Series C-2 Shares. If at any time, the Company shall issue or sell New Shares for a consideration per Ordinary Share received by the Company (net of any selling concessions, discounts or commissions) (the "New Price") less than the applicable then-effective Series C-2 Conversion Price, in effect immediately prior to such issue, then the Series C-2 Conversion Price shall be reduced, concurrently with such issue, to such New Price.

(ii) Anti-dilution Adjustment for Series C-1 Shares. If at any time, the Company shall issue or sell New Shares for a New Price which is less than the applicable then-effective Series C-1 Conversion Price, in effect immediately prior to such issue, then the Series C-1 Conversion Price shall be reduced, concurrently with such issue, to such New Price.

(iii) Anti-dilution Adjustment for Series C Shares. If at any time, the Company shall issue or sell New Shares for a New Price which is less than the applicable then-effective Series C Conversion Price, in effect immediately prior to such issue, then the Series C Conversion Price shall be reduced, concurrently with such issue, to such New Price.

(iv) Anti-dilution Adjustment for Series B Shares. If at any time, the Company shall issue or sell New Shares for a New Price which is less than the applicable then-effective Series B Conversion Price, in effect immediately prior to such issue, then the Series B Conversion Price shall be reduced, concurrently with such issue, to such New Price.

(v) Deemed Issuances of Ordinary Shares. In the case of the issuance of an Option, the following provisions shall apply for all purposes of this Section3.4(a)):

(1) The aggregate maximum number of Ordinary Shares deliverable upon exercise of Option shall be deemed to have been issued at the time such Option were issued, and for a consideration equal to the consideration, if any, received by the Company upon the issuance of such Option, plus the minimum exercise price provided in such Option for the Ordinary Shares covered thereby.

(2) In the event of any change in the number of Ordinary Shares deliverable, or in the consideration payable to the Company upon exercise of such Option, including, but not limited to, a change resulting from the anti-dilution provisions thereof, the Series C-2 Conversion Price, the Series C-1 Conversion Price, the Series C Conversion Price or the Series B Conversion Price (as applicable), to the extent in any way affected by or computed using such Option, shall be recomputed to reflect such change, but no further adjustment shall be made for the actual issuance of Ordinary Shares or any payment of such consideration upon the exercise of any such Option.

(3) Upon the expiration or termination of any such Option, the Series C-2 Conversion Price, the Series C-1 Conversion Price, the Series C Conversion Price or the Series B Conversion Price (as applicable) shall, to the extent in any way affected by or computed using such Option, be recomputed to reflect the issuance of only the number of Ordinary Shares actually issued upon the exercise of such Option.

(b) Adjustments for Share, Subdivisions, Combinations or Consolidations of Equity Securities. In the event that the issued and outstanding Class A Ordinary Shares shall be subdivided (by share split or otherwise) into a greater number of Class A Ordinary Shares, the Series C-2 Conversion Price, the Series C-1 Conversion Price, the Series C Conversion Price and the Series B Conversion Price then in effect shall, concurrently with the effectiveness of such subdivision, be proportionately decreased. In the event that the issued and outstanding Class A Ordinary Shares shall be combined or consolidated, by reclassification or otherwise, into a fewer number of Class A Ordinary Shares, the Series C-2 Conversion Price, the Series C-1 Conversion Price, the Series C Conversion Price and the Series B Conversion Price then in effect shall, concurrently with the effectiveness of such combination or consolidation, be proportionately increased.

(c) Adjustment for Ordinary Share Dividends and Distributions. If the Company makes (or fixes a record date for the determination of holders of Ordinary Shares entitled to receive) a dividend or other distribution to the holders of Ordinary Shares payable in additional Ordinary Shares after the date hereof, the Series C-2 Conversion Price then in effect with respect to each Series C-2 Share, the Series C-1 Conversion Price then in effect with respect to each Series C-1 Share, the Series C Conversion Price then in effect with respect to each Series C Share and the Series B Conversion Price then in effect with respect to each Series B Share shall be decreased as of the time of such issuance (or in the event such record date is fixed, as of the close of business on such record date) by multiplying such Series C-2 Conversion Price, Series C-1 Conversion Price, Series C Conversion Price or Series B Conversion Price (as applicable) by a fraction, (i) the numerator of which is the total number of issued and outstanding Ordinary Shares immediately prior to the time of such issuance or the close of business on such record date, and (ii) the denominator of which is the total number of issued and outstanding Ordinary Shares immediately prior to the time of such issuance or the close of business on such record date plus the number of Ordinary Shares issuable in payment of such dividend or distribution.

Notwithstanding the foregoing, (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the applicable Series C-2 Conversion Price, Series C-1 Conversion Price, Series C Conversion Price or Series B Conversion Price (as the case may be) shall be recomputed accordingly as of the close of business on such record date and thereafter the applicable Series C-2 Conversion Price, Series C-1 Conversion Price, Series C Conversion Price or the Series B Conversion Price (as the case may be) shall be adjusted pursuant to this article as of the time of actual payment of such dividends or distributions; and (b) that no such adjustment shall be made if the holders of the Series C-2 Shares, the Series C-1 Shares, Series C Shares or Series B Shares simultaneously receive a dividend or other distribution of shares of Ordinary Shares in a number equal to the number of shares of Ordinary Shares as they would have received if all outstanding Series C-2 Shares and/or Series C-1 Shares and/or Series C Shares and/or Series B Shares had been converted into Ordinary Shares on the date of such event.

(d) Adjustments for Other Distributions. In the event that the Company at any time or from time to time makes, or fixes a record date for the determination of holders of Ordinary Shares entitled to receive, any distribution payable in securities or assets of the Company other than Ordinary Shares, then and in each such event provision shall be made so that the holders of the Series C-2 Shares, the Series C-1 Shares, the Series C Shares and the Series B Shares shall receive upon conversion thereof, in addition to the number of Ordinary Shares receivable thereupon, the amount of securities or assets of the Company which they would have received had their Series C-2 Shares, Series C-1 Shares, Series C Shares and Series B Shares (as the case may be) been converted into Ordinary Shares on the date of such event and had they thereafter, during the period from the date of such event to and including the date of conversion, retained such securities or assets receivable by them as aforesaid during such period.

(e) Adjustments for Reclassification, Exchange and Substitution. If the Ordinary Shares issuable upon conversion of the Series C-2 Shares, the Series C-1 Shares, the Series C Shares and the Series B Shares shall be changed into the same or a different number of Shares of any other class or classes of Shares, whether by capital reorganization, reclassification or otherwise (other than a subdivision or combination of Shares provided for above), then and in each such event the holder of each Series C-2 Shares, Series C-1 Shares, Series C Shares and the Series B Shares shall have the right thereafter to convert such Series C-2 Shares, Series C-1 Shares, Series C Shares and the Series B Shares into the kind and amount of Shares and other securities and property receivable upon such reorganization or reclassification or other change by holders of the number of Ordinary Shares that would have been subject to receipt by the holders upon conversion of the Series C-2 Shares, the Series C-1 Shares, the Series C Shares and the Series B Shares immediately before that change, all subject to further adjustment as provided herein.

(f) Other Dilutive Events. In case any event shall occur as to which the above provisions are not strictly applicable, but the failure to make any adjustment to the Series C-2 Conversion Price, the Series C-1 Conversion Price, the Series C Conversion Price or the Series B Conversion Price would not fairly protect the conversion rights of the Series C-2 Shares, the Series C-1 Shares, the Series C Shares or the Series B Shares (as the case may be) in accordance with the essential intent and principles hereof, then, in each such case, the Company, in good faith, shall determine the appropriate adjustment to be made, in order to preserve, without dilution, the conversion rights of the Series C-2 Shares, the Series C-1 Shares, the Series C Shares and the Series B Shares. Any such adjustment to the Series C-2 Shares, the Series C-1 Shares, the Series C Share and the Series B Shares shall be made in consultation with, and subject to the approval of, the Series C-2 Shareholders and/or the Series C-1 Shareholder and/or the Series C Shareholder and/or the Series B Shareholders (as the case may be).

(g) Determination of Consideration. In the case of the issuance of New Shares for cash, the consideration shall be deemed to be the amount of cash received by the Company (net of any selling concessions, discounts, commissions and amount paid or payable for accrued interests or accrued dividends). In the case of the issuance of the New Shares for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair market value thereof, as determined by the Board (including the affirmative votes of the Series C-1 Director, the Series C Director, both Series B Directors and two Series A Directors) irrespective of any accounting treatment.

(h) No Impairment. The Company will not, through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities (including Equity Securities) or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company but will at all times in good faith assist in the carrying out of all the provisions of this article and in the taking of all such action as may be necessary or appropriate in order to protect the conversion rights of the Series C-2 Shares, the Series C-1 Shares, the Series C Shares and the Series B Shares.

(i) Reservation of Shares Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued Class A Ordinary Shares, for the purpose of effecting the conversion of the Series C-2 Shares, the Series C-1 Shares, the Series C Shares and the Series B Shares. If at any time the number of authorized but unissued Class A Ordinary Shares shall not be sufficient to effect the conversion of all then outstanding Series C-2 Shares, Series C-1 Shares, Series C Shares and Series B Shares, the Company and its members will take such corporate action as may, in the opinion of the Company's counsel, be necessary to increase the Company's authorized but unissued Class A Ordinary Shares to such number of shares as shall be sufficient for such purpose including but not limited to the approval of a resolution to this effect.

(j) Founder Parties' Liability. If, for any reason, any holder of the Series C-2 Shares and/or the Series C-1 Shares is unable to exercise its conversion right in accordance with this Section 3.4, each of the Founder Parties hereby irrevocably and unconditionally undertakes to indemnify such holder of the Series C-2 Shares and/or the Series C-1 Shares with the Equity Securities of the Company held by the Founder Parties or cash, at the election of such holder of the Series C-2 Shares and/or the Series C-1 Shares, an amount that such holder of the Series C-2 Shares and/or the Series C-1 Shares would have received had its conversion right been exercised in full. For the avoidance of doubt, the obligations of the Founder Parties under this Section 3.4(j) to the holders of the Series C-2 Shares and/or the Series C-1 Shares shall be on a joint and several basis.

(k) Notice of record date. If the Company intends to take any action of the type or types requiring an adjustment set forth in this Section, the Company shall give notice to the holders of the Preferred Shares, which notice shall specify the record date, if any, with respect to any such action and the date on which such action is to take place. Such notice shall also set forth such facts with respect thereto as shall be reasonably necessary to indicate the effect of such action (to the extent such effect may be known at the date of such notice) on the Conversion Price with respect to such Preferred Share, and the number, kind or class of share or other securities or property which shall be deliverable upon conversion of the Preferred Shares. In the case of any action which would require the fixing of a record date, such notice shall be given at least ten (10) days prior to the date so fixed, and in the case of all other actions, such notice shall be given at least twenty (20) days prior to the taking of such action.

3.5 Procedure of Conversion

(a) Mechanics of Conversion.

The Company may effect the conversion of Preferred Shares in any manner available under applicable Law, including redeeming or repurchasing the relevant Preferred Shares and applying the proceeds thereof towards payment for the new Class A Ordinary Shares. Upon the conversion of the any Preferred Shares, the Company shall issue such number of the Class A Ordinary Shares converted from such Preferred Shares to the Preferred Shareholders holding such Preferred Shares, and cancel the Preferred Shares so converted. The Company shall promptly (i) update its register of members to reflect the issuance of such Class A Ordinary Shares and the cancellation of such Preferred Shares and (ii) issue and deliver to such holder of Preferred Shares, a certificate or certificates for the number of Class A Ordinary Shares to which such holder of Preferred Shares shall be entitled and (if applicable) a cheque payable as the result of conversion into fractional Class A Ordinary Shares in accordance with Section 3.5(b) below. Such conversion shall be deemed to have been made at the close of business on the date of the surrender of the certificates representing the shares of Preferred Shares to be converted, and the person entitled to receive the Ordinary Shares issuable upon such conversion shall be treated for all purposes as the record holder of such Class A Ordinary Shares on such date. All Class A Ordinary Shares issuable upon conversion of the Preferred Shares will upon issuance be duly and validly issued and fully paid and non-assessable, free of all liens and charges and not subject to any pre-emptive rights, save as otherwise provided in these Articles. Upon any such conversion of any Preferred Shares, such Preferred Shares shall no longer be deemed to be outstanding and all rights of the Preferred Shareholders holding such Preferred Shares with respect to such Preferred Shares so converted shall immediately terminate upon the issuance of the Class A Ordinary Shares, except the right to receive the Class A Ordinary Shares or other securities, cash or other assets as herein provided.

If a conversion of Preferred Shares is in connection with a QIPO, such conversion will be conditional upon closing of the QIPO and the persons entitled to receive the Class A Ordinary Shares issuable upon such conversion shall not be deemed to have converted their Preferred Shares until the closing of the QIPO.

(b) Fractional Share.

No fractional Class A Ordinary Shares shall be issued upon conversion of any Preferred Shares. In lieu of any fractional shares to which the Preferred Shareholder would otherwise be entitled, the Company shall at the discretion of the Board (including the affirmative votes of the Preferred Directors) pay cash equal to such fraction multiplied by the fair market value for the applicable Preferred Share as determined and approved by the Board on the date of conversion.

(c) Adjustment Certificate.

Upon the occurrence of each adjustment of the Conversion Price pursuant to this Section 3, the Company shall, at its expense, promptly compute such adjustment or readjustment in accordance with the terms hereof and notify each Preferred Shareholder of such adjustment and the facts upon which such adjustment is based. The Company shall, upon the written request at any time of any Preferred Shareholder, furnish or cause to be furnished to such Preferred Shareholder an adjustment certificate setting forth (A) such adjustment or readjustment, (B) the number of Class A Ordinary Shares that each Preferred Share could then be converted into, and (C) the Conversion Price for the Preferred Shares in effect before and after such adjustment or readjustment.

(d) Entitlement to dividends.

Upon conversion, all accrued but unpaid cash dividends on the applicable Preferred Shares shall be paid either in cash or by issuance of a number of further Class A Ordinary Shares equal to the value of such cash amount, at the option of the holder of such Preferred Shares.

4. VOTING RIGHTS

4.1 General.

Subject to Article 8 of these Articles, the Holding Company shall have the right to one hundred (100) votes for each issued and outstanding Class B Ordinary Share held. All the holders of Class A Ordinary Shares shall have the right to one (1) vote for each issued and outstanding Class A Ordinary Share held. Each Preferred Shareholder shall have the right to one (1) vote for each Class A Ordinary Share into which each issued and outstanding Preferred Share held by it could then be converted. Subject to provisions to the contrary elsewhere in the Memorandum and Articles, or as required by applicable Laws, the Preferred Shareholders shall vote together with the Ordinary Shareholders, and not as a separate class or series, on all matters put before the Shareholders.

For avoidance of doubt, subject to Article 8 of these Articles, the right to one hundred (100) votes for any issued and outstanding Class B Ordinary Share held by the Holding Company shall terminate immediately after such Class B Ordinary Share is Transferred to a third Person, and any such third Person shall only have the right to one (1) vote for each such Transferred Class B Ordinary Share.

4.2 Board Matters.

The Board shall consist of ten (10) Directors. The Board shall be constituted as follows:

(a) The Series C-1 Majority shall be entitled to appoint one (1) director of the Board (the "Series C-1 Director");

(b) The Series C Majority shall be entitled to appoint one (1) director of the Board (the "Series C Director");

(c) SAIF shall be entitled to appoint one (1) Director of the Board, and Youzhen shall be entitled to appoint one (1) Director of the Board (collectively, the "Series B Directors") by written notice to the Company;

(d) The Series A-1 Majority shall be entitled to appoint one (1) Director of the Board (the "Series A-1 Director") by written notice to the Company;

(e) The Series A-3 Majority shall be entitled to appoint one (1) Director of the Board (together with the Series A-1 Director, the "Series A Directors", and each a "Series A Director") by written notice to the Company; and

(f) The Ordinary Majority shall be entitled to appoint four (4) Directors of the Board by written notice to the Company.

Any Shareholder or group of Shareholders entitled to designate any individual to be elected as a Director of the Board of Directors pursuant to this Section 4.2 shall have the right to remove any such Director occupying such position by written notice to the Company and to fill any vacancy caused by the death, disability, retirement, resignation or removal of any Director occupying such position. If a vacancy is created on the Board of Directors at any time by the death, disability, retirement, resignation or removal of any Director designated pursuant to this Section 4.2, the replacement to fill such vacancy shall be appointed in the same manner as the director who is being replaced in accordance with this Section 4.2.

The Board shall meet at least once every quarter unless postponed or waived by written consent of a quorum of the Board. For those acts listed in Section 4.3(c) and(d), a quorum for a Board meeting shall consist of at least six (6) Directors, including both Series B Directors, the Series C Director, the Series C-1 Director, and one (1) Director appointed by the Ordinary Majority; for any other acts not included in Section 4.3(c) and(d), a quorum for a Board meeting shall consist of at least six (6) Directors, including the director appointed by SAIF, the Series C Director, the Series C-1 Director, and one (1) Director appointed by the Ordinary Majority.

Each Director shall have one (1) vote on any matter submitted for approval of the Board. Each Director shall be entitled to appoint alternates to serve at any board meeting (or the meeting of a committee formed by the Board), and such alternates shall be permitted to attend all Board meetings and vote on such Director's behalf.

Subject to Article 152 of these Articles, the Company shall indemnify the Directors to the maximum extent permitted by the Law. The Company shall obtain, and thereafter maintain, a directors' and officers' liability insurance policy pursuant to Section 7.7 of the Shareholders' Agreement. In addition, the Company shall indemnify each Preferred Shareholder to the maximum extent permitted by applicable Laws for any claims brought against such Preferred Shareholder by any third party (including any other Shareholder of the Company) as a result of the appointment of any directors by such Preferred Shareholder in the Company.

4.3 Protective Provisions.

For so long as any Preferred Share remains outstanding, none of the Group Companies shall, and each of the Warrantors shall procure that no Group Company shall, directly or indirectly, take any of the actions listed in subsection (a) below without the prior affirmative vote or written consent of the Series C-2 Majority, the Series C-1 Majority, the Series C Majority, the Series B Majority and the Series A Majority, each voting as a separate class.

For so long as any Preferred Share remains outstanding, none of the Group Companies shall, and each of the Warrantors shall procure that no Group Company shall, directly or indirectly, take any of the actions listed in subsection (b) below without the prior affirmative vote or written consent of holders of at least 85% of the Preferred Shares (on an as-converted basis).

For so long as the Series C-1 Director, the Series C Director, any Series B Director or any Series A Director holds office in the Board, none of the Group Companies shall, and each of the Warrantors shall procure that no Group Company shall, directly or indirectly, take any of the actions listed in subsection (c) below without the prior affirmative vote or written consent of the Series C-1 Director, the Series C Director, both Series B Directors and two Series A Directors.

For so long as the Series C-1 Director, the Series C Director, any Series B Director or any Series A Director holds office in the Board, none of the Group Companies shall, and each of the Warrantors shall procure that no Group Company shall, directly or indirectly, take any of the actions listed in subsection (d) below without the prior affirmative vote or written consent of at least six (6) Preferred Directors.

Notwithstanding anything to the contrary contained herein, where any act listed in this Section 4.3 requires the approval of the Shareholders in accordance with the Statute, and if the Shareholders vote in favour of such act but the approval of the Series C-2 Majority, the Series C-1 Majority, the Series C Majority, the Series B Majority or the Series A Majority has not yet been obtained, the relevant majority of the Preferred Shareholders who vote against such act at a meeting of the Shareholders in aggregate shall have the voting rights equal to the aggregate voting power of all the Shareholders who voted in favour of such act plus one (1).

Notwithstanding anything to the contrary contained herein, where any act listed in this Section 4.3 requires the approval of the Shareholders in accordance with the Statute, and if the Shareholders vote in favour of such act but the approval of the holders of at least 85% of the Preferred Shares (on an as-converted basis) has not yet been obtained, the relevant majority of the Preferred Shareholders who vote against such act at a meeting of the Shareholders in aggregate shall have the voting rights equal to the aggregate voting power of all the Shareholders who voted in favour of such act plus one (1).

(a) Acts of the Group Companies Requiring the Series C-2 Majority's, the Series C-1 Majority's, the Series C Majority's, Series B Majority's and Series A Majority's Approvals

(i) any amendment or waiver of any provision of the Restated Articles or Constitutional Documents of any Group Company;

(ii) any amendment or change of the rights, preferences, privileges or powers of, or the restrictions on any shareholder of any Group Company;

(iii) any recapitalization or reclassification of any outstanding shares into shares having preference or priority as to dividends or assets distribution senior to or on a parity with the preference or priority of any of the Preferred Shares;

(iv) any increase, reduction or cancellation of the authorized or issued share capital of any Group Company or issue, purchase or redeem any shares or grant any, convertible securities, options or warrants over any portion of the share capital of any Group Company, or any other act which may result in new issuance of Equity Securities of any Group Company, have any effect on the rights of the Preferred Shareholders, or have effect of any direct or indirect dilution of the shareholding of the Preferred Shareholders in the Company, except for (i) the repurchase of options upon the termination of any employee's employment pursuant to the ESOP; (ii) the grant of options or warrants therefor issued to employees, officers or directors of the Group Companies pursuant to the ESOP; (iii) any issue of Adjustment Shares (as defined in the Series C SSA, the Series C-1 SSA and the Share Subscription Agreement respectively) pursuant to the Series C SSA, the Series C-1 SSA and the Share Subscription Agreement; (iv) the issue of any Class A Ordinary Shares upon conversion of any Preferred Shares in accordance with these Articles; (v) the redemption of any Preferred Shares in accordance with these Articles;

(v) any merger, amalgamation, consolidation or trade sale of any Group Company, other than an Approved Sale;

(vi) any consent to any proceeding seeking liquidation, winding up, dissolution, reorganization, or arrangement of any Group Company under any Law relating to bankruptcy, insolvency or reorganization or relief of debtors except for those contemplated in the Transaction Documents; and

(vii) any agreement, whether in writing or otherwise, to do or any action that may result in any of the foregoing.

(b) Acts of the Group Companies Requiring Approval of holders of at least 85% of the Preferred Shares (on an as-converted basis)

(i) any disposition, dilution or transfer of the direct or indirect interests of the Company in any other Group Company;

(ii) any change in the authorized size of the board of directors, the board of supervisors and any committee of the board of directors of any Group Company, or any change in the manner of election and term of office of any director, supervisor or committee member thereof; and

(iii) any agreement, whether in writing or otherwise, to do any action that may result in any of the foregoing.

(c) Acts of the Group Companies Requiring the Series C-1 Director's, the Series C Director's, Both Series B Directors' and Two Series A Directors' Approvals

(i) any change, cessation to conduct or cessation to carry on, the business of any Group Company substantially as it is currently conducted or, in the case of a Subsidiary, substantially as it is conducted at the time it became a Subsidiary of the Company, or any change of any Group Company's name or brand unless the relevant transactions are otherwise specifically listed in the Business Plan which is approved in accordance with these Articles;

(ii) any initial public offering and any action related to an initial public offering (including any action in preparation for a public offering such as the appointment of (and any changes to) an investment bank or a financial advisor, the choice of stock exchange, the market capitalization of the Company and any other terms and conditions related thereto);

(iii) any approval of or amendment to the approved treasury or accounting policies, principles, standards or any change in terms of the fiscal year of any Group Company;

(iv) any appointment or change of the Auditor or other auditors of any Group Company;

(v) any declaration, set aside or payment of dividend or other distribution in any kind (including profits distribution) by any Group Company, or capitalization of the reserves of any Group Company and the adoption of, and any changes to, the dividend policy of any Group Company;

(vi) any transaction between any Group Company and any Interested Party of a Group Company (for the avoidance of doubt, excluding any transactions between the Company and any other Group Companies wholly owned by the Company or between such other Group Companies or any transaction incurred in the ordinary course of such Group Company's business which is consistent with its past practice);

(vii) any sale, transfer, license, pledge, or otherwise disposal of any major business or major assets exceeding, individually or in aggregate, 10% of the Company's total assets as at the end of the latest financial year or any control interests thereof, or, any transfer or license of major technology to any third party, in each case which is not necessary for the operation of the business of the Group Companies and may result in a material adverse effect on the interests of the Preferred Shareholders;

(viii) any change, amendment, waiver to or termination of any Control Documents;

(ix) any agreement, whether in writing or otherwise, to do or any action that may result in any of the foregoing.

(d) Acts of the Group Companies Requiring Approval of At Least Six (6) Preferred Directors

(i) any approval of or amendment to the Business Plan, final settlement (□□□□), financial statements, medium and long term development plan and annual/quarterly investment plan, financing plan of any Group Company;

(ii) other than the transactions as set forth in (c)(vii), any sale, transfer, license, pledge, or otherwise disposal of any major business, major assets exceeding, individually or in aggregate, 5% of the Company's total assets as at the end of the latest financial year or any control interests thereof, and/or the goodwill or the Proprietary Asset (including without limitation, the exclusive licensing of any Proprietary Asset) of any Group Company unless the relevant transactions (including without limitation the respective counterparty, the subject, the consideration and other key information) are otherwise specifically listed in the Business Plan which is approved in accordance with these Articles;

(iii) any acquisition of any stock, share or other Equity Securities of any Person other than the Group Companies, or any development or establishment of brands other than those owned by the Group Companies as of the date hereof unless the relevant transactions (including without limitation the respective counterparty, the subject, the consideration and other key information) are otherwise specifically listed in the Business Plan which is approved in accordance with these Articles;

(iv) any purchase or lease of real property exceeding, individually or in aggregate, 5% of the Company's total assets as at the end of the latest financial year;

(v) the establishment of any subsidiary, joint venture, partnership, branches or affiliates, or change of the current structure of the Group Companies unless otherwise contemplated in the Transaction Documents or the relevant acts are otherwise specifically listed in the Business Plan which is approved in accordance with these Articles;

(vi) any purchase of vehicles (except for any purchase in the ordinary course of business) or real estate for any Group Companies unless the relevant transactions (including without limitation the respective counterparty, the subject, the consideration and other key information) are otherwise specifically listed in the Business Plan which is approved in accordance with these Articles;

(vii) any borrowing by any Group Company from any third party or provision of guarantees or indemnities provided by any Group Company with a value exceeding US$5,000,000 (or equivalent amount of RMB), or lending to any third party or provision of guarantee for or indemnities to any third party unless the relevant borrowing, lending, guaranty or indemnity (including without limitation the respective counterparty and other key information) is otherwise specifically listed in the Business Plan which is approved in accordance with these Articles;

(viii) any material expenditure incurred outside the Business Plan of any Group Company which is approved in accordance with these Articles;

(ix) any total expenditure incurred in any quarter (including any expenditure for the purchase of any tangible or intangible assets or any investment to any Person not within the wholly-owned Group Companies) in excess of US$1,500,000 (or equivalent amount of RMB) unless the specific amount of expenditure is otherwise listed in the Business Plan which is approved in accordance with these Articles;

(x) any investment by any Group Company in securities, future goods, financial derivatives or any other financial products, unless expressly illustrated in the Business Plan which is approved in accordance with these Articles;

(xi) any technology transfers or licenses to any third parties (other than any technology transfers or licenses necessary for the operation of the business of the Group Companies, any technology transfers or licenses to an Interested Party of a Group Company and any technology transfers or licenses as set forth in (c)(vii));

(xii) the appointment and removal of the Key Employees and other key officers at or above comparable position to the Key Employees of any Group Company, and any approval of the remuneration and other employment terms of foregoing persons;

(xiii) any increase in compensation of the Key Employees and other key officers at or above comparable position to the Key Employees of any Group Company by more than 15% in any twelve-month period;

(xiv) any creation, adoption, execution or amendment of the ESOP or any other incentive plan of any Group Company, or any change of the number of Shares reserved under the ESOP or such other incentive plan;

(xv) any action to create, allow to arise or issue any debenture constituting a pledge, lien, charge or security interest on the major assets of any Group Company, or any action to cause any Group Company to bear or undertake an unlimited Liability or Liability in excess of US$300,000 (or an equivalent amount thereof in another currency);

(xvi) any initiation or settlement of any material litigation, arbitration or other disputes of any Group Companies; and

(xvii) any agreement, whether in writing or otherwise, to do or any action that may result in any of the foregoing.

A series of related transactions shall be construed as a single transaction, and any amounts involved in the related transactions shall be aggregated, to determine whether a matter is subject to this Section 4.3.

5. DRAG-ALONG RIGHTS

5.1 Drag-Along Rights of the Series C-2 Shareholders.

If (a) a QIPO is not completed by 30 June 2021, (b) the Series C-2 Redemption Price and the Series C-2 Put Option Price (as defined in the Shareholders' Agreement) have not been paid in accordance with the Restated Articles and the Shareholders' Agreement, respectively, and (c) the Series C-2 Majority (the "Series C-2 Drag-Along Shareholders") proposes a sale of the Company by merger, sale of all or substantially all of the assets or business of the Group Companies, a sale of all of the Shares or otherwise (the "Series C-2 Approved Sale") to a third-party potential purchaser (the "Potential Purchaser"), then upon written notice from the Series C-2 Drag-Along Shareholders, each of the other Shareholders of the Company (the "Series C-2 Dragged Shareholders") shall (i) vote, or give its written consent with respect to, all the Shares held by them in favor of such proposed Series C-2 Approved Sale and in opposition of any proposal that could reasonably be expected to delay or impair the consummation of any such proposed Series C-2 Approved Sale; (ii) sell, transfer, and/or exchange, as the case may be, all of their Shares in such Series C-2 Approved Sale to such purchaser; (iii) refrain from exercising any dissenters' rights or rights of appraisal under applicable Law at any time with respect to or in connection with such proposed Series C-2 Approved Sale; and (iv) take all actions reasonably necessary to consummate the proposed Series C-2 Approved Sale. If any Series C-2 Dragged Shareholder does not elect to vote, or give its written consent with respect to, all the Shares held by them in favor of such proposed Series C-2 Approved Sale, upon the request of the Series C-2 Drag-Along Shareholders, such Series C-2 Dragged Shareholder shall be obliged to purchase all the Shares held by the Series C-2 Drag-Along Shareholders, at the price and terms offered by the Potential Purchaser. Notwithstanding any provision to the contrary, the share transfer restrictions of Section 3 of the Shareholders' Agreement shall not apply to any transfers made pursuant to this Section 5.1.

5.2 Drag-Along Rights of the Series C-1 Shareholders.

If (a) a QIPO is not completed by 30 June 2021, (b) the Series C-1 Redemption Price and the Series C-1 Put Option Price (as defined in the Shareholders' Agreement) have not been paid in accordance with the Restated Articles and the Shareholders' Agreement, respectively, and (c) the Series C-1 Majority (the "Series C-1 Drag-Along Shareholder") proposes a sale of the Company by merger, sale of all or substantially all of the assets or business of the Group Companies, a sale of all of the Shares or otherwise (the "Series C-1 Approved Sale") to a Potential Purchaser, then, subject to the prior written consent of the Series C-2 Majority, upon written notice from the Series C-1 Drag-Along Shareholders, each of the other Shareholders of the Company (the "Series C-1 Dragged Shareholders") shall (i) vote, or give its written consent with respect to, all the Shares held by them in favor of such proposed Series C-1 Approved Sale and in opposition of any proposal that could reasonably be expected to delay or impair the consummation of any such proposed Series C-1 Approved Sale; (ii) sell, transfer, and/or exchange, as the case may be, all of their Shares in such Series C-1 Approved Sale to such purchaser; (iii) refrain from exercising any dissenters' rights or rights of appraisal under applicable Law at any time with respect to or in connection with such proposed Series C-1 Approved Sale; and (iv) take all actions reasonably necessary to consummate the proposed Series C-1 Approved Sale. If any Series C-1 Dragged Shareholder does not elect to vote, or give its written consent with respect to, all the Shares held by them in favor of such proposed Series C-1 Approved Sale, upon the request of the Series C-1 Drag-Along Shareholder, such Series C-1 Dragged Shareholder shall be obliged to purchase all the Shares held by the Series C-1 Drag-Along Shareholder, at the price and terms offered by the Potential Purchaser. Notwithstanding any provision to the contrary, the share transfer restrictions of Section 3 of the Shareholders' Agreement shall not apply to any transfers made pursuant to this Section 5.2.

5.3 Drag-Along Rights of the Series C Shareholders.

If (a) a QIPO is not completed by the earlier of the 4th anniversary of the Series C Shares Issue Date and 30 June 2021, (b) the Series C Redemption Price and the Series C Put Option Price (as defined in the Shareholders' Agreement) have not been paid in accordance with the Restated Articles and the Shareholders' Agreement, respectively, and (c) the Series C Majority (the "Series C Drag-Along Shareholder") proposes a sale of the Company by merger, sale of all or substantially all of the assets or business of the Group Companies, a sale of all of the Shares or otherwise (the "Series C Approved Sale") to a Potential Purchaser, then, subject to the prior written consent of the Series C-2 Majority and the Series C-1 Majority, upon written notice from the Series C Drag-Along Shareholders, each of the other Shareholders of the Company (the "Series C Dragged Shareholders") shall (i) vote, or give its written consent with respect to, all the Shares held by them in favor of such proposed Series C Approved Sale and in opposition of any proposal that could reasonably be expected to delay or impair the consummation of any such proposed Series C Approved Sale; (ii) sell, transfer, and/or exchange, as the case may be, all of their Shares in such Series C Approved Sale to such purchaser; (iii) refrain from exercising any dissenters' rights or rights of appraisal under applicable Law at any time with respect to or in connection with such proposed Series C Approved Sale; and (iv) take all actions reasonably necessary to consummate the proposed Series C Approved Sale. If any Series C Dragged Shareholder does not elect to vote, or give its written consent with respect to, all the Shares held by them in favor of such proposed Series C Approved Sale, upon the request of the Series C Drag-Along Shareholder, such Series C Dragged Shareholder shall be obliged to purchase all the Shares held by the Series C Drag-Along Shareholder, at the price and terms offered by the Potential Purchaser. Notwithstanding any provision to the contrary, the share transfer restrictions of Section 3 of the Shareholders' Agreement shall not apply to any transfers made pursuant to this Section 5.3.

5.4 Drag-Along Rights of Series B Shareholders and Holding Company. At any time after the Closing, if the Series B Majority and the Holding Company (the "Series B Drag-Along Shareholders") consent to an acquisition or a sale of the Company by merger, sale of more than fifty percent (50%) of the outstanding Shares, sales of all or substantially all of the assets or business of the Group Companies, a sale of all the Shares or otherwise (the "Series B Approved Sale") to a Potential Purchaser, then, subject to the prior written consent of the Series C-2 Majority, the Series C-1 Majority and the Series C Majority, upon written notice from the Series B Drag-Along Shareholders, each of the other Shareholders of the Company (the "Series B Dragged Shareholders") shall (i) vote, or give its written consent with respect to, all the Shares held by them in favor of such proposed Series B Approved Sale and in opposition of any proposal that could reasonably be expected to delay or impair the consummation of any such proposed Series B Approved Sale; (ii) sell, transfer, and/or exchange, as the case may be, all of their Shares in such Series B Approved Sale to such purchaser; (iii) refrain from exercising any dissenters' rights or rights of appraisal under applicable Law at any time with respect to or in connection with such proposed Series B Approved Sale; and (iv) take all actions reasonably necessary to consummate the proposed Series B Approved Sale. If any Series B Dragged Shareholder does not elect to vote, or give its written consent with respect to, all the Shares held by them in favour of such proposed Series B Approved Sale, upon the request of the Series B Drag-Along Shareholder, such Series B Dragged Shareholder shall be obliged to purchase all the Shares held by the Series B Drag-Along Shareholder, at the price and terms offered by the Potential Purchaser. Notwithstanding any provision to the contrary, the share transfer restrictions of Section 3 of the Shareholders' Agreement shall not apply to any transfers made pursuant to this Section 5.4.

5.5 Representation and Undertaking.

Any such sale or disposition by the Dragged Shareholders, in each applicable case, shall be on the terms and conditions of the Approved Sale as proposed by the Potential Purchaser. Such Dragged Shareholders shall be required to make severally customary and usual representations and warranties in connection with the Approved Sale, including, without limitation, as to their ownership and authority to sell, free of all liens, claims and encumbrances of any kind, the shares proposed to be transferred or sold by such Persons or entities; and any violation or breach of or default under (with or without the giving of notice or the lapse of time or both) any Law or regulation applicable to such Dragged Shareholders or any material contract to which such Dragged Shareholders is a party or by which they are bound and shall severally indemnify and hold harmless to the full extent permitted by Law, the purchasers against all actual cost, damages, or other liabilities, arising out of, in connection with or related to any breach or alleged breach of any representation or warranty made by, or agreements, understandings or covenants of such Dragged Shareholders, respectively, as the case may be, under the terms of the agreements relating to such Approved Sale, provided that no Shareholder shall be obligated in connection with such Approved Sale to pay any amount with respect to any liabilities arising from the representations, warranties and indemnities given by it in excess of its share of the total consideration paid by the Potential Purchaser. Each of the Group Companies undertakes to obtain all consents, permits, approvals, orders, authorizations or registrations, qualifications, designations, declarations or filings with any governmental authority or any third party, which are required to be obtained or made by them in connection with the Approved Sale. Each of the Dragged Shareholder undertakes to pay its pro rata share of expenses incurred in connection with such proposed Approved Sale based on its share of the total consideration paid by the Potential Purchaser relative to each other.

5.6 Drag-Along Notice.

With respect any Approved Sale in relation to which the Drag-Along Shareholder wishes to exercise its rights under this Section 5, the Drag-Along Shareholders shall provide the Company and the Dragged Shareholders with written notice (the "Drag-Along Notice") not less than thirty (30) days prior to the proposed closing date of the Approved Sale (the "Approved Sale Date"). The Drag-Along Notice shall set forth: (a) the name and address of the Potential Purchaser; (b) the proposed amount and form of consideration to be paid, and the terms and conditions of payment offered by the Potential Purchaser; (c) the Approved Sale Date; (d) the number of Shares held on record by the Drag-Along Shareholder on the date of the Drag-Along Notice which (if applicable) form the subject to be transferred, sold or otherwise disposed of by the Drag-Along Shareholder; and (e) (if applicable) the number of Shares of the Dragged Shareholders to be included in the Approved Sale.

5.7 Transfer Certificate.

On the Approved Sale Date, if the Approved Sale is a sale of Shares, each of the Drag-Along Shareholders and the Dragged Shareholders shall deliver or cause to be delivered an instrument of transfer and a certificate or certificates evidencing its Shares to be included in the Approved Sale, duly endorsed for transfer and duly executed, to such third party purchasers in the manner and at the address indicated in the Drag-Along Notice. The register of members of the Company shall be updated to reflect the share transfers as a result of the exercise of the Drag-Along Rights exercised by a Drag-Along Shareholder.

5.8 Payment.

If the Approved Sale is a sale of Shares, if the Drag-Along Shareholder or the Dragged Shareholders receive the purchase price for their shares or such purchase price is made available to them as part of an Approved Sale and, in either case they fail to deliver a duly executed instrument of transfer or certificates evidencing their Shares as described in this Section 5, they shall for all purposes be deemed no longer to be a Shareholder of the Company (with the register of members of the Company updated to reflect such status), shall have no voting rights, shall not be entitled to any dividends or other distributions with respect to any Shares held by them, shall have no other rights or privileges as a Shareholder of the Company. In addition, the Company shall stop any subsequent transfer of any such Shares held by such Shareholders. All proceeds received by or are made available to the Shareholders for an Approved Sale shall be distributed among the Shareholders in accordance with Section 1 of this Schedule A.

[End of Schedule A]

SECRETARY'S CERTIFICATE

Q&K INTERNATIONAL GROUP LIMITED
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

We, Conyers Trust Company (Cayman) Limited, Secretary of **Q&K INTERNATIONAL GROUP LIMITED** (**the "Company"**) **DO HEREBY CERTIFY** that the following is a true extract of Special Resolution passed by the Shareholders of the Company on 30th day of September, 2019, effective on the 7th October, 2019 and that such resolutions have not been modified.

RESOLVED AS A SPECIAL RESOLUTION, that immediately following the resignation of Mr Andrew Y. Yan becoming effective, Clause 4.2 of Schedule A of the Current M&A be amended by deleting the sentence "The Board shall consist of ten (10) Directors" and replacing it with the sentence "The Board shall consist of no more than twelve (12) Directors".

Sharon Pierson
for and on behalf of
Conyers Trust Company (Cayman) Limited
Secretary

Dated this 8th day of October, 2019

Exhibit 4.3

Q&K INTERNATIONAL GROUP LIMITED

AND

THE BANK OF NEW YORK MELLON

As Depositary

AND

OWNERS AND HOLDERS OF AMERICAN DEPOSITARY SHARES

Deposit Agreement

, 2019

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DEPOSIT AGREEMENT

DEPOSIT AGREEMENT dated as of , 2019 among Q&K INTERNATIONAL GROUP LIMITED, a company incorporated under the laws of the Cayman Islands (herein called the Company), THE BANK OF NEW YORK MELLON, a New York banking corporation (herein called the Depositary), and all Owners and Holders (each as hereinafter defined) from time to time of American Depositary Shares issued hereunder.

W I T N E S S E T H:

WHEREAS, the Company desires to provide, as set forth in this Deposit Agreement, for the deposit of Shares (as hereinafter defined) of the Company from time to time with the Depositary or with the Custodian (as hereinafter defined) under this Deposit Agreement, for the creation of American Depositary Shares representing the Shares so deposited and for the execution and delivery of American Depositary Receipts evidencing the American Depositary Shares; and

WHEREAS, the American Depositary Receipts are to be substantially in the form of Exhibit A annexed to this Deposit Agreement, with appropriate insertions, modifications and omissions, as set forth in this Deposit Agreement;

NOW, THEREFORE, in consideration of the premises, it is agreed by and between the parties hereto as follows:

ARTICLE 1. DEFINITIONS

The following definitions shall for all purposes, unless otherwise clearly indicated, apply to the respective terms used in this Deposit Agreement:

SECTION 1.1. American Depositary Shares.

The term "American Depositary Shares" shall mean the securities created under this Deposit Agreement representing rights with respect to the Deposited Securities. American Depositary Shares may be certificated securities evidenced by Receipts or uncertificated securities. The form of Receipt annexed as Exhibit A to this Deposit Agreement shall be the prospectus required under the Securities Act of 1933 for sales of both certificated and uncertificated American Depositary Shares. Except for those provisions of this Deposit Agreement that refer specifically to Receipts, all the provisions of this Deposit Agreement shall apply to both certificated and uncertificated American Depositary Shares.

Each American Depositary Share shall represent the number of Shares specified in Exhibit A to this Deposit Agreement, except that, if there is a distribution upon Deposited Securities covered by Section 4.3, a change in Deposited Securities covered by Section 4.8 with respect to which additional American Depositary Shares are not delivered or a sale of Deposited Securities under Section 3.2 or 4.8, each American Depositary Share shall thereafter represent the amount of Shares or other Deposited Securities that are then on deposit per American Depositary Share after giving effect to that distribution, change or sale.

SECTION 1.2. Commission.

The term "Commission" shall mean the Securities and Exchange Commission of the United States or any successor governmental agency in the United States.

SECTION 1.3. Company.

The term "Company" shall mean Q&K International Group Limited, a company incorporated under the laws of the Cayman Islands, and its successors.

SECTION 1.4. Custodian.

The term "Custodian" shall mean The Hongkong and Shanghai Banking Corporation Limited, as custodian for the Depositary in Hong Kong for the purposes of this Deposit Agreement, and any other firm or corporation the Depositary appoints under Section 5.5 as a substitute or additional custodian under this Deposit Agreement, and shall also mean all of them collectively.

SECTION 1.5. Deliver; Surrender.

(a) The term "deliver", or its noun form, when used with respect to Shares or other Deposited Securities, shall mean (i) book-entry transfer of those Shares or other Deposited Securities to an account maintained by an institution authorized under applicable law to effect transfers of such securities designated by the person entitled to that delivery or (ii) physical transfer of certificates evidencing those Shares or other Deposited Securities registered in the name of, or duly endorsed or accompanied by proper instruments of transfer to, the person entitled to that delivery.

(b) The term "deliver", or its noun form, when used with respect to American Depositary Shares, shall mean (i) registration of those American Depositary Shares in the name of DTC or its nominee and book-entry transfer of those American Depositary Shares to an account at DTC designated by the person entitled to that delivery, (ii) registration of those American Depositary Shares not evidenced by a Receipt on the books of the Depositary in the name requested by the person entitled to that delivery and mailing to that person of a statement confirming that registration or (iii) if requested by the person entitled to that delivery, execution and delivery at the Depositary's Office to the person entitled to that delivery of one or more Receipts evidencing those American Depositary Shares registered in the name requested by that person.

(c) The term "surrender", when used with respect to American Depositary Shares, shall mean (i) one or more book-entry transfers of American Depositary Shares to the DTC account of the Depositary, (ii) delivery to the Depositary at its Office of an instruction to surrender American Depositary Shares not evidenced by a Receipt or (iii) surrender to the Depositary at its Office of one or more Receipts evidencing American Depositary Shares.

SECTION 1.6. Deposit Agreement.

The term "Deposit Agreement" shall mean this Deposit Agreement, as it may be amended from time to time in accordance with the provisions of this Deposit Agreement.

SECTION 1.7. Depositary; Depositary's Office.

The term "Depositary" shall mean The Bank of New York Mellon, a New York banking corporation, and any successor as depositary under this Deposit Agreement. The term "Office", when used with respect to the Depositary, shall mean the office at which its depositary receipts business is administered, which, at the date of this Deposit Agreement, is located at 240 Greenwich Street, New York, New York 10286.

SECTION 1.8. Deposited Securities.

The term "Deposited Securities" as of any time shall mean Shares at such time deposited or deemed to be deposited under this Deposit Agreement, including without limitation, Shares that have not been successfully delivered upon surrender of American Depositary Shares, and any and all other securities, property and cash received by the Depositary or the Custodian in respect of Deposited Securities and at that time held under this Deposit Agreement.

SECTION 1.9. Disseminate.

The term "Disseminate," when referring to a notice or other information to be sent by the Depositary to Owners, shall mean (i) sending that information to Owners in paper form by mail or another means or (ii) with the consent of Owners, another procedure that has the effect of making the information available to Owners, which may include (A) sending the information by electronic mail or electronic messaging or (B) sending in paper form or by electronic mail or messaging a statement that the information is available and may be accessed by the Owner on an Internet website and that it will be sent in paper form upon request by the Owner, when that information is so available and is sent in paper form as promptly as practicable upon request.

SECTION 1.10. Dollars.

The term "Dollars" shall mean United States dollars.

SECTION 1.11. DTC.

The term "DTC" shall mean The Depository Trust Company or its successor.

SECTION 1.12. Foreign Registrar.

The term "Foreign Registrar" shall mean the entity that carries out the duties of registrar for the Shares and any other agent of the Company for the transfer and registration of Shares, including, without limitation, any securities depository for the Shares.

SECTION 1.13. Holder.

The term "Holder" shall mean any person holding a Receipt or a security entitlement or other interest in American Depositary Shares, whether for its own account or for the account of another person, but that is not the Owner of that Receipt or those American Depositary Shares.

SECTION 1.14. Owner.

The term "Owner" shall mean the person in whose name American Depositary Shares are registered on the books of the Depositary maintained for that purpose.

SECTION 1.15. Receipts.

The term "Receipts" shall mean the American Depositary Receipts issued under this Deposit Agreement evidencing certificated American Depositary Shares, as the same may be amended from time to time in accordance with the provisions of this Deposit Agreement.

SECTION 1.16. Registrar.

The term "Registrar" shall mean any corporation or other entity that is appointed by the Depositary to register American Depositary Shares and transfers of American Depositary Shares as provided in this Deposit Agreement.

SECTION 1.17. Replacement.

The term "Replacement" shall have the meaning assigned to it in Section 4.8.

SECTION 1.18. Restricted Securities.

The term "Restricted Securities" shall mean Shares that (i) are "restricted securities," as defined in Rule 144 under the Securities Act of 1933, except for Shares that could be resold in reliance on Rule 144 without any conditions, (ii) are beneficially owned by an officer, director (or person performing similar functions) or other affiliate of the Company, (iii) otherwise would require registration under the Securities Act of 1933 in connection with the public offer and sale thereof in the United States or (iv) are subject to other restrictions on sale or deposit under the laws of the Cayman Islands, a shareholder agreement or the articles of association or similar document of the Company.

SECTION 1.19. Securities Act of 1933.

The term "Securities Act of 1933" shall mean the United States Securities Act of 1933, as from time to time amended.

SECTION 1.20. Shares.

The term "Shares" shall mean Class A ordinary shares of the Company that are validly issued and outstanding, fully paid and nonassessable and that were not issued in violation of any pre-emptive or similar rights of the holders of outstanding securities of the Company; provided, however, that, if there shall occur any change in nominal or par value, a split-up or consolidation or any other reclassification or, upon the occurrence of an event described in Section 4.8, an exchange or conversion in respect of the Shares of the Company, the term "Shares" shall thereafter also mean the successor securities resulting from such change in nominal value, split-up or consolidation or such other reclassification or such exchange or conversion.

SECTION 1.21. SWIFT.

The term "SWIFT" shall mean the financial messaging network operated by the Society for Worldwide Interbank Financial Telecommunication, or its successor.

SECTION 1.22. Termination Option Event.

The term "Termination Option Event" shall mean any of the following events or conditions:

(i) the Company institutes proceedings to be adjudicated as bankrupt or insolvent, consents to the institution of bankruptcy or insolvency proceedings against it, files a petition or answer or consent seeking reorganization or relief under any applicable law in respect of bankruptcy or insolvency, consents to the filing of any petition of that kind or to the appointment of a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of it or any substantial part of its property or makes an assignment for the benefit of creditors, or if information becomes publicly available indicating that unsecured claims against the Company are not expected to be paid;

(ii) the American Depositary Shares are delisted from a stock exchange in the United States on which the American Depositary Shares were listed and, the Company has not listed or applied to list the American Depositary Shares on another stock exchange in the United States, nor is there a symbol available for over-the-counter trading of the American Depositary Shares in the United States;

(iii) the Depositary has received notice of facts that indicate that the American Depositary Shares have become, or with the passage of time will become, ineligible for registration on Form F-6 under the Securities Act of 1933; or

(iv) an event or condition that is defined as a Termination Option Event in Section 4.1, 4.2 or 4.8.

ARTICLE 2. FORM OF RECEIPTS, DEPOSIT OF SHARES, DELIVERY, TRANSFER AND SURRENDER OF AMERICAN DEPOSITARY SHARES

SECTION 2.1. Form of Receipts; Registration and Transferability of American Depositary Shares.

Definitive Receipts shall be substantially in the form set forth in Exhibit A to this Deposit Agreement, with appropriate insertions, modifications and omissions, as permitted under this Deposit Agreement. No Receipt shall be entitled to any benefits under this Deposit Agreement or be valid or obligatory for any purpose, unless that Receipt has been (i) executed by the Depositary by the manual signature of a duly authorized officer of the Depositary or (ii) executed by the facsimile signature of a duly authorized officer of the Depositary and countersigned by the manual signature of a duly authorized signatory of the Depositary or the Registrar or a co-registrar. The Depositary shall maintain books on which (x) each Receipt so executed and delivered as provided in this Deposit Agreement and each transfer of that Receipt and (y) all American Depositary Shares delivered as provided in this Deposit Agreement and all registrations of transfer of American Depositary Shares, shall be registered. A Receipt bearing the facsimile signature of a person that was at any time a proper officer of the Depositary shall, subject to the other provisions of this paragraph, bind the Depositary, even if that person was not a proper officer of the Depositary on the date of issuance of that Receipt.

The Receipts and statements confirming registration of American Depositary Shares may have incorporated in or attached to them such legends or recitals or modifications not inconsistent with the provisions of this Deposit Agreement as may be required by the Depositary or required to comply with any applicable law or regulations thereunder or with the rules and regulations of any securities exchange upon which American Depositary Shares may be listed or to conform with any usage with respect thereto, or to indicate any special limitations or restrictions to which any particular Receipts and American Depositary Shares are subject by reason of the date of issuance of the underlying Deposited Securities or otherwise.

American Depositary Shares evidenced by a Receipt, when the Receipt is properly endorsed or accompanied by proper instruments of transfer, shall be transferable as certificated registered securities under the laws of the State of New York. American Depositary Shares not evidenced by Receipts shall be transferable as uncertificated registered securities under the laws of the State of New York. The Depositary, notwithstanding any notice to the contrary, may treat the Owner of American Depositary Shares as the absolute owner thereof for the purpose of determining the person entitled to distribution of dividends or other distributions or to any notice provided for in this Deposit Agreement and for all other purposes, and neither the Depositary nor the Company shall have any obligation or be subject to any liability under this Deposit Agreement to any Holder of American Depositary Shares (but only to the Owner of those American Depositary Shares).

SECTION 2.2. Deposit of Shares.

Subject to the terms and conditions of this Deposit Agreement, Shares or evidence of rights to receive Shares may be deposited under this Deposit Agreement by delivery thereof to any Custodian, accompanied by any appropriate instruments or instructions for transfer, or endorsement, in form satisfactory to the Custodian.

As conditions of accepting Shares for deposit, the Depositary may require (i) any certification required by the Depositary or the Custodian in accordance with the provisions of this Deposit Agreement, (ii) a written order directing the Depositary to deliver to, or upon the written order of, the person or persons stated in that order American Depositary Shares representing those deposited Shares, (iii) evidence satisfactory to the Depositary that those Shares have been re-registered in the books of the Company or the Foreign Registrar in the name of the Depositary, a Custodian or a nominee of the Depositary or a Custodian, (iv) evidence satisfactory to the Depositary that any necessary approval for the transfer or deposit has been granted by any governmental body in each applicable jurisdiction and (v) an agreement or assignment, or other instrument satisfactory to the Depositary, that provides for the prompt transfer to the Custodian of any dividend, or right to subscribe for additional Shares or to receive other property, that any person in whose name those Shares are or have been recorded may thereafter receive upon or in respect of those Shares, or, in lieu thereof, such agreement of indemnity or other agreement as shall be satisfactory to the Depositary.

The Depositary shall refuse, and shall instruct the Custodian to refuse, to accept Shares for deposit if the Depositary has received a notice from the Company that the Company has restricted transfer of those Shares under the Company’s articles of association or any applicable laws or that the deposit would result in any violation of the Company’s articles of association or any applicable laws.

At the request and risk and expense of a person proposing to deposit Shares, and for the account of that person, the Depositary may receive certificates for Shares to be deposited, together with the other instruments specified in this Section, for the purpose of forwarding those Share certificates to the Custodian for deposit under this Deposit Agreement.

The Depositary shall instruct each Custodian that, upon each delivery to a Custodian of a certificate or certificates for Shares to be deposited under this Deposit Agreement, together with the other documents specified in this Section, that Custodian shall, as soon as transfer and recordation can be accomplished, present that certificate or those certificates to the Company or the Foreign Registrar, if applicable, for transfer and recordation of the Shares being deposited in the name of the Depositary or its nominee or that Custodian or its nominee.

Deposited Securities shall be held by the Depositary or by a Custodian for the account and to the order of the Depositary or at such other place or places as the Depositary shall determine.

SECTION 2.3. Delivery of American Depositary Shares.

The Depositary shall instruct each Custodian that, upon receipt by that Custodian of any deposit pursuant to Section 2.2, together with the other documents or evidence required under that Section, that Custodian shall notify the Depositary of that deposit and the person or persons to whom or upon whose written order American Depositary Shares are deliverable in respect thereof. Upon receiving a notice of a deposit from a Custodian, or upon the receipt of Shares or evidence of the right to receive Shares by the Depositary, the Depositary, subject to the terms and conditions of this Deposit Agreement, shall deliver, to or upon the order of the person or persons entitled thereto, the number of American Depositary Shares issuable in respect of that deposit, but only upon payment to the Depositary of the fees and expenses of the Depositary for the delivery of those American Depositary Shares as provided in Section 5.9, and of all taxes and governmental charges and fees payable in connection with that deposit and the transfer of the deposited Shares. However, the Depositary shall deliver only whole numbers of American Depositary Shares.

SECTION 2.4. Registration of Transfer of American Depositary Shares; Combination and Split-up of Receipts; Interchange of Certificated and Uncertificated American Depositary Shares.

The Depositary, subject to the terms and conditions of this Deposit Agreement, shall register a transfer of American Depositary Shares on its transfer books upon (i) in the case of certificated American Depositary Shares, surrender of the Receipt evidencing those American Depositary Shares, by the Owner or by a duly authorized attorney, properly endorsed or accompanied by proper instruments of transfer or (ii) in the case of uncertificated American Depositary Shares, receipt from the Owner of a proper instruction (including, for the avoidance of doubt, instructions through DRS and Profile as provided in Section 2.9), and, in either case, duly stamped as may be required by the laws of the State of New York and of the United States of America. Upon registration of a transfer, the Depositary shall deliver the transferred American Depositary Shares to or upon the order of the person entitled thereto.

The Depositary, subject to the terms and conditions of this Deposit Agreement, shall upon surrender of a Receipt or Receipts for the purpose of effecting a split-up or combination of such Receipt or Receipts, execute and deliver a new Receipt or Receipts for any authorized number of American Depositary Shares requested, evidencing the same aggregate number of American Depositary Shares as the Receipt or Receipts surrendered.

The Depositary, upon surrender of certificated American Depositary Shares for the purpose of exchanging for uncertificated American Depositary Shares, shall cancel the Receipt evidencing those certificated American Depositary Shares and send the Owner a statement confirming that the Owner is the owner of the same number of uncertificated American Depositary Shares. The Depositary, upon receipt of a proper instruction (including, for the avoidance of doubt, instructions through DRS and Profile as provided in Section 2.9) from the Owner of uncertificated American Depositary Shares for the purpose of exchanging for certificated American Depositary Shares, shall cancel those uncertificated American Depositary Shares and register and deliver to the Owner a Receipt evidencing the same number of certificated American Depositary Shares.

The Depositary may appoint one or more co-transfer agents for the purpose of effecting registration of transfers of American Depositary Shares and combinations and split-ups of Receipts at designated transfer offices on behalf of the Depositary. In carrying out its functions, a co-transfer agent may require evidence of authority and compliance with applicable laws and other requirements by Owners or persons entitled to American Depositary Shares and will be entitled to protection and indemnity to the same extent as the Depositary.

SECTION 2.5. Surrender of American Depositary Shares and Withdrawal of Deposited Securities.

Upon surrender of American Depositary Shares for the purpose of withdrawal of the Deposited Securities represented thereby and payment of the fee of the Depositary for the surrender of American Depositary Shares as provided in Section 5.9 and payment of all taxes and governmental charges payable in connection with that surrender and withdrawal of the Deposited Securities, and subject to the terms and conditions of this Deposit Agreement, the Owner of those American Depositary Shares shall be entitled to delivery (to the extent delivery can then be lawfully and practicably made), to or as instructed by that Owner, of the amount of Deposited Securities at the time represented by those American Depositary Shares, but not any money or other property as to which a record date for distribution to Owners has passed (since money or other property of that kind will be delivered or paid on the scheduled payment date to the Owner as of that record date), and except that the Depositary shall not be required to accept surrender of American Depositary Shares for the purpose of withdrawal to the extent it would require delivery of a fraction of a Deposited Security. That delivery shall be made, as provided in this Section, without unreasonable delay.

As a condition of accepting a surrender of American Depositary Shares for the purpose of withdrawal of Deposited Securities, the Depositary may require (i) that each surrendered Receipt be properly endorsed in blank or accompanied by proper instruments of transfer in blank and (ii) that the surrendering Owner execute and deliver to the Depositary a written order directing the Depositary to cause the Deposited Securities being withdrawn to be delivered to or upon the written order of a person or persons designated in that order.

Thereupon, the Depositary shall direct the Custodian to deliver, subject to Sections 2.6, 3.1 and 3.2, the other terms and conditions of this Deposit Agreement and local market rules and practices, to the surrendering Owner or to or upon the written order of the person or persons designated in the order delivered to the Depositary as above provided, the amount of Deposited Securities represented by the surrendered American Depositary Shares, and the Depositary may charge the surrendering Owner a fee and its expenses for giving that direction by cable (including SWIFT) or facsimile transmission.

If Deposited Securities are delivered physically upon surrender of American Depositary Shares for the purpose of withdrawal, that delivery will be made at the Custodian's office, except that, at the request, risk and expense of an Owner surrendering American Depositary Shares for withdrawal of Deposited Securities, and for the account of that Owner, the Depositary shall direct the Custodian to forward any cash or other property comprising, and forward a certificate or certificates, if applicable, and other proper documents of title, if any, for, the Deposited Securities represented by the surrendered American Depositary Shares to the Depositary for delivery at the Depositary's Office or to another address specified in the order received from the surrendering Owner.

SECTION 2.6. Limitations on Delivery, Registration of Transfer and Surrender of American Depositary Shares.

As a condition precedent to the delivery, registration of transfer or surrender of any American Depositary Shares or split-up or combination of any Receipt or withdrawal of any Deposited Securities, the Depositary, Custodian or Registrar may require payment from the depositor of Shares or the presenter of the Receipt or instruction for registration of transfer or surrender of American Depositary Shares not evidenced by a Receipt of a sum sufficient to reimburse it for any tax or other governmental charge and any stock transfer or registration fee with respect thereto (including any such tax or charge and fee with respect to Shares being deposited or withdrawn) and payment of any applicable fees as provided in this Deposit Agreement, may require the production of proof satisfactory to it as to the identity and genuineness of any signature and may also require compliance with any regulations the Depositary may establish consistent with the provisions of this Deposit Agreement, including, without limitation, this Section 2.6.

The Depositary may refuse to accept deposits of Shares for delivery of American Depositary Shares or to register transfers of American Depositary Shares in particular instances, or may suspend deposits of Shares or registration of transfer generally, whenever it or the Company considers it necessary or advisable to do so. The Depositary may refuse surrenders of American Depositary Shares for the purpose of withdrawal of Deposited Securities in particular instances, or may suspend surrenders for the purpose of withdrawal generally, but, notwithstanding anything to the contrary in this Deposit Agreement, only for (i) temporary delays caused by closing of the Depositary's register or the register of holders of Shares maintained by the Company or the Foreign Registrar, 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, (iii) compliance with any U.S. or foreign laws or governmental regulations relating to the American Depositary Shares or to the withdrawal of the Deposited Securities or (iv) any other reason that, at the time, is permitted under paragraph I(A)(1) of the General Instructions to Form F-6 under the Securities Act of 1993 or any successor to that provision.

The Depositary shall not knowingly accept for deposit under this Deposit Agreement any Shares that, at the time of deposit, are Restricted Securities.

SECTION 2.7. Lost Receipts, etc.

If a Receipt is mutilated, destroyed, lost or stolen, the Depositary shall deliver to the Owner the American Depositary Shares evidenced by that Receipt in uncertificated form or, if requested by the Owner, execute and deliver a new Receipt of like tenor in exchange and substitution for such mutilated Receipt, upon surrender and cancellation of that mutilated Receipt, or in lieu of and in substitution for that destroyed, lost or stolen Receipt. However, before the Depositary will deliver American Depositary Shares in uncertificated form or execute and deliver a new Receipt, in substitution for a destroyed, lost or stolen Receipt, the Owner must (a) file with the Depositary (i) a request for that replacement before the Depositary has notice that the Receipt has been acquired by a bona fide purchaser and (ii) a sufficient indemnity bond and (b) satisfy any other reasonable requirements imposed by the Depositary.

SECTION 2.8. Cancellation and Destruction of Surrendered Receipts.

The Depositary shall cancel all Receipts surrendered to it and is authorized to destroy Receipts so cancelled.

SECTION 2.9. DTC Direct Registration System and Profile Modification System.

(a) Notwithstanding the provisions of Section 2.4, the parties acknowledge that DTC's Direct Registration System ("DRS") and Profile Modification System ("Profile") apply to the American Depositary Shares upon acceptance thereof to DRS by DTC. DRS is the system administered by DTC that facilitates interchange between registered holding of uncertificated securities and holding of security entitlements in those securities through DTC and a DTC participant. Profile is a required feature of DRS that allows a DTC participant, claiming to act on behalf of an Owner of American Depositary Shares, to direct the Depositary to register a transfer of those American Depositary Shares to DTC or its nominee and to deliver those American Depositary Shares to the DTC account of that DTC participant without receipt by the Depositary of prior authorization from the Owner to register that transfer.

(b) In connection with DRS/Profile, the parties acknowledge that the Depositary will not determine whether the DTC participant that is claiming to be acting on behalf of an Owner in requesting a registration of transfer and delivery as described in paragraph (a) above has the actual authority to act on behalf of that Owner (notwithstanding any requirements under the Uniform Commercial Code). For the avoidance of doubt, the provisions of Sections 5.3 and 5.8 apply to the matters arising from the use of the DRS/Profile. The parties agree that the Depositary's reliance on and compliance with instructions received by the Depositary through the DRS/Profile system and otherwise in accordance with this Deposit Agreement shall not constitute negligence or bad faith on the part of the Depositary.

ARTICLE 3. CERTAIN OBLIGATIONS OF OWNERS AND HOLDERS OF AMERICAN DEPOSITARY SHARES

SECTION 3.1. Filing Proofs, Certificates and Other Information.

Any person presenting Shares for deposit or any Owner or Holder may be required from time to time to file with the Depositary or the Custodian such proof of citizenship or residence, exchange control approval, or such information relating to the registration on the books of the Company or the Foreign Registrar, if applicable, to execute such certificates and to make such representations and warranties, as the Depositary may deem necessary or proper, or as the Company may reasonably require by written request to the Depositary. The Depositary may withhold the delivery or registration of transfer of American Depositary Shares, the distribution of any dividend or other distribution or of the proceeds thereof or the delivery of any Deposited Securities until that proof or other information is filed or those certificates are executed or those representations and warranties are made. The Depositary shall provide the Company, upon the Company's written request and at the Company's expense, as promptly as practicable, with copies of any information or other materials the Depositary receives pursuant to this Section, to the extent that the requested disclosure is permitted under applicable law.

SECTION 3.2. Liability of Owner for Taxes.

If any tax or other governmental charge shall become payable by the Custodian or the Depositary with respect to or in connection with any American Depositary Shares or any Deposited Securities represented by any American Depositary Shares or in connection with a transaction to which Section 4.8 applies, that tax or other governmental charge shall be payable by the Owner of those American Depositary Shares to the Depositary. The Depositary may refuse to register any transfer of those American Depositary Shares or any withdrawal of Deposited Securities represented by those American Depositary Shares until that payment is made, and may withhold any dividends or other distributions or the proceeds thereof, or may sell for the account of the Owner any part or all of the Deposited Securities represented by those American Depositary Shares and apply those dividends or other distributions or the net proceeds of any sale of that kind in payment of that tax or other governmental charge but, even after a sale of that kind, the Owner of those American Depositary Shares shall remain liable for any deficiency. The Depositary shall distribute any net proceeds of a sale made under this Section that are not used to pay taxes or governmental charges to the Owners entitled to them in accordance with Section 4.1. If the number of Shares represented by each American Depositary Share decreases as a result of a sale of Deposited Securities under this Section, the Depositary may call for surrender of the American Depositary Shares to be exchanged on a mandatory basis for a lesser number of American Depositary Shares and may sell American Depositary Shares to the extent necessary to avoid distributing fractions of American Depositary Shares in that exchange and distribute the net proceeds of that sale to the Owners entitled to them.

SECTION 3.3. Warranties on Deposit of Shares.

Every person depositing Shares under this Deposit Agreement shall be deemed thereby to represent and warrant that those Shares and each certificate therefor, if applicable, are validly issued, fully paid and nonassessable and were not issued in violation of any preemptive or similar rights of the holders of outstanding securities of the Company and that the person making that deposit is duly authorized so to do. Every depositing person shall also be deemed to represent that the Shares, at the time of deposit, are not Restricted Securities. All representations and warranties deemed made under this Section shall survive the deposit of Shares and delivery of American Depositary Shares.

SECTION 3.4. Disclosure of Interests.

When required in order to comply with applicable laws and regulations or the articles of association or similar document of the Company, the Company may from time to time request each Owner and Holder to provide to the Depositary information relating to: (a) the capacity in which it holds American Depositary Shares, (b) the identity of any Holders or other persons or entities then or previously interested in those American Depositary Shares and the nature of those interests and (c) any other matter where disclosure of such matter is required for that compliance. Each Owner and Holder agrees to provide all information known to it in response to a request made pursuant to this Section. Each Holder consents to the disclosure by the Depositary and the Owner or any other Holder through which it holds American Depositary Shares, directly or indirectly, of all information responsive to a request made pursuant to this Section relating to that Holder that is known to that Owner or other Holder. The Depositary agrees to use reasonable efforts to comply with written instructions requesting that the Depositary forward any request authorized under this Section to the Owners and to forward to the Company any responses it receives in response to that request. The Depositary may charge the Company a fee and its expenses for complying with requests under this Section 3.4.

ARTICLE 4. THE DEPOSITED SECURITIES

SECTION 4.1. Cash Distributions.

Whenever the Depositary receives any cash dividend or other cash distribution on Deposited Securities, the Depositary shall, subject to the provisions of Section 4.5, convert that dividend or other distribution into Dollars and distribute the amount thus received (net of the fees and expenses of the Depositary as provided in Section 5.9) to the Owners entitled thereto, in proportion to the number of American Depositary Shares representing those Deposited Securities held by them respectively; provided, however, that if the Custodian or the Depositary shall be required to withhold and does withhold from that cash dividend or other cash distribution an amount on account of taxes or other governmental charges, the amount distributed to the Owners of the American Depositary Shares representing those Deposited Securities shall be reduced accordingly. However, the Depositary will not pay any Owner a fraction of one cent, but will round each Owner's entitlement to the nearest whole cent.

The Company or its agent will remit to the appropriate governmental agency in each applicable jurisdiction all amounts withheld and owing to such agency.

If a cash distribution would represent a return of all or substantially all the value of the Deposited Securities underlying American Depositary Shares, the Depositary may require surrender of those American Depositary Shares and may require payment of or deduct the fee for surrender of American Depositary Shares (whether or not it is also requiring surrender of American Depositary Shares) as a condition of making that cash distribution. A distribution of that kind shall be a Termination Option Event.

SECTION 4.2. Distributions Other Than Cash, Shares or Rights.

Subject to the provisions of Sections 4.11 and 5.9, whenever the Depositary receives any distribution other than a distribution described in Section 4.1, 4.3 or 4.4 on Deposited Securities (but not in exchange for or in conversion or in lieu of Deposited Securities), the Depositary shall cause the securities or property received by it to be distributed to the Owners entitled thereto, after deduction or upon payment of any fees and expenses of the Depositary and any taxes or other governmental charges, in proportion to the number of American Depositary Shares representing such Deposited Securities held by them respectively, in any manner that the Depositary deems equitable and practicable for accomplishing that distribution (which may be a distribution of depositary shares representing the securities received); provided, however, that if in the opinion of the Depositary such distribution cannot be made proportionately among the Owners entitled thereto, or if for any other reason (including, but not limited to, any requirement that the Company or the Depositary withhold an amount on account of taxes or other governmental charges or that securities received must be registered under the Securities Act of 1933 in order to be distributed to Owners or Holders) the Depositary deems such distribution not to be lawful and feasible, the Depositary, after consultation with the Company to the extent practicable, may adopt such other method as it may deem equitable and practicable for the purpose of effecting such distribution, including, but not limited to, the public or private sale of the securities or property thus received, or any part thereof, and distribution of the net proceeds of any such sale (net of the fees and expenses of the Depositary as provided in Section 5.9) to the Owners entitled thereto, all in the manner and subject to the conditions set forth in Section 4.1. The Depositary may withhold any distribution of securities under this Section 4.2 if it has not received satisfactory assurances from the Company that the distribution does not require registration under the Securities Act of 1933. The Depositary may sell, by public or private sale, an amount of securities or other property it would otherwise distribute under this Section 4.2 that is sufficient to pay its fees and expenses in respect of that distribution.

If a distribution under this Section 4.2 would represent a return of all or substantially all the value of the Deposited Securities underlying American Depositary Shares, the Depositary may require surrender of those American Depositary Shares and may require payment of or deduct the fee for surrender of American Depositary Shares (whether or not it is also requiring surrender of American Depositary Shares) as a condition of making that distribution. A distribution of that kind shall be a Termination Option Event.

SECTION 4.3. Distributions in Shares.

Whenever the Depositary receives any distribution on Deposited Securities consisting of a dividend in, or free distribution of, Shares, the Depositary may, and if the Company so requests in writing, shall, deliver to the Owners entitled thereto, in proportion to the number of American Depositary Shares representing those Deposited Securities held by them respectively, an aggregate number of American Depositary Shares representing the amount of Shares received as that dividend or free distribution, subject to the terms and conditions of this Deposit Agreement with respect to the deposit of Shares and issuance of American Depositary Shares, including withholding of any tax or governmental charge as provided in Section 4.11 and payment of the fees and expenses of the Depositary as provided in Section 5.9 (and the Depositary may sell, by public or private sale, an amount of the Shares received (or American Depositary Shares representing those Shares) sufficient to pay its fees and expenses in respect of that distribution). In lieu of delivering fractional American Depositary Shares, the Depositary may sell the amount of Shares represented by the aggregate of those fractions (or American Depositary Shares representing those Shares) and distribute the net proceeds, all in the manner and subject to the conditions described in Section 4.1. If and to the extent that additional American Depositary Shares are not delivered and Shares or American Depositary Shares are not sold, each American Depositary Share shall thenceforth also represent the additional Shares distributed on the Deposited Securities represented thereby.

If the Company declares a distribution in which holders of Deposited Securities have a right to elect whether to receive cash, Shares or other securities or a combination of those things, or a right to elect to have a distribution sold on their behalf, the Depositary may, after consultation with the Company, make that right of election available for exercise by Owners in any manner the Depositary considers to be lawful and practical. As a condition of making a distribution election right available to Owners, the Depositary may require satisfactory assurances from the Company that doing so does not require registration of any securities under the Securities Act of 1933.

SECTION 4.4. Rights.

(a) If rights are granted to the Depositary in respect of deposited Shares to purchase additional Shares or other securities, the Company and the Depositary shall endeavor to consult as to the actions, if any, the Depositary should take in connection with that grant of rights. The Depositary may, to the extent deemed by it to be lawful and practical (i) if requested in writing by the Company, grant to all or certain Owners rights to instruct the Depositary to purchase the securities to which the rights relate and deliver those securities or American Depositary Shares representing those securities to Owners, (ii) if requested in writing by the Company, deliver the rights to or to the order of certain Owners, or (iii) sell the rights to the extent practicable and distribute the net proceeds of that sale to Owners entitled to those proceeds. To the extent rights are not exercised, delivered or disposed of under (i), (ii) or (iii) above, the Depositary shall permit the rights to lapse unexercised.

(b) If the Depositary will act under (a)(i) above, the Company and the Depositary will enter into a separate agreement setting forth the conditions and procedures applicable to the particular offering. Upon instruction from an applicable Owner in the form the Depositary specified and upon payment by that Owner to the Depositary of an amount equal to the purchase price of the securities to be received upon the exercise of the rights, the Depositary shall, on behalf of that Owner, exercise the rights and purchase the securities. The purchased securities shall be delivered to, or as instructed by, the Depositary. The Depositary shall (i) deposit the purchased Shares under this Deposit Agreement and deliver American Depositary Shares representing those Shares to that Owner or (ii) deliver or cause the purchased Shares or other securities to be delivered to or to the order of that Owner. The Depositary will not act under (a)(i) above unless the offer and sale of the securities to which the rights relate are registered under the Securities Act of 1933 or the Depositary has received an opinion of United States counsel that is satisfactory to it to the effect that those securities may be sold and delivered to the applicable Owners without registration under the Securities Act of 1933. For the avoidance of doubt, nothing in this Deposit Agreement shall create any obligation on the part of the Company to file a registration statement with respect to rights or the underlying securities or to endeavor to have such a registration statement declared effective.

(c) If the Depositary will act under (a)(ii) above, the Company and the Depositary will enter into a separate agreement setting forth the conditions and procedures applicable to the particular offering. Upon (i) the request of an applicable Owner to deliver the rights allocable to the American Depositary Shares of that Owner to an account specified by that Owner to which the rights can be delivered and (ii) receipt of such documents as the Company and the Depositary agreed to require to comply with applicable law, the Depositary will deliver those rights as requested by that Owner.

(d) If the Depositary will act under (a)(iii) above, the Depositary will use reasonable efforts to sell the rights in proportion to the number of American Depositary Shares held by the applicable Owners and pay the net proceeds to the Owners otherwise entitled to the rights that were sold, upon an averaged or other practical basis without regard to any distinctions among such Owners because of exchange restrictions or the date of delivery of any American Depositary Shares or otherwise.

(e) Payment or deduction of the fees of the Depositary as provided in Section 5.9 and payment or deduction of the expenses of the Depositary and any applicable taxes or other governmental charges shall be conditions of any delivery of securities or payment of cash proceeds under this Section 4.4.

(f) The Depositary shall not be responsible for any failure to determine that it may be lawful or feasible to make rights available to or exercise rights on behalf of Owners in general or any Owner in particular, or to sell rights.

SECTION 4.5. Conversion of Foreign Currency.

Whenever the Depositary or the Custodian receives foreign currency, by way of dividends or other distributions or the net proceeds from the sale of securities, property or rights, and if at the time of the receipt thereof the foreign currency so received can in the judgment of the Depositary be converted on a reasonable basis into Dollars and the resulting Dollars transferred to the United States, the Depositary shall convert or cause to be converted, by sale or in any other manner that it may determine, that foreign currency into Dollars, and those Dollars shall be distributed to the Owners entitled thereto as promptly as practicable. A cash distribution may be made upon an averaged or other practicable basis without regard to any distinctions among Owners based on exchange restrictions, the date of delivery of any American Depositary Shares or otherwise and shall be net of any expenses of conversion into Dollars incurred by the Depositary as provided in Section 5.9.

If a conversion of foreign currency or the repatriation or distribution of Dollars can be effected only with the approval or license of any government or agency thereof, the Depositary may, but will not be required to, file an application for that approval or license.

If the Depositary determines that in its judgment any foreign currency received by the Depositary or the Custodian is not convertible on a reasonable basis into Dollars transferable to the United States, or if any approval or license of any government or agency thereof that is required for such conversion is not filed or sought by the Depositary or is not obtained within a reasonable period as determined by the Depositary, the Depositary may distribute the foreign currency received by the Depositary to, or in its discretion may hold such foreign currency uninvested and without liability for interest thereon for the respective accounts of, the Owners entitled to receive the same.

If any conversion of foreign currency, in whole or in part, cannot be effected for distribution to some of the Owners entitled thereto, the Depositary may in its discretion make that conversion and distribution in Dollars to the extent practicable and permissible to the Owners entitled thereto and may distribute the balance of the foreign currency received by the Depositary to, or hold that balance uninvested and without liability for interest thereon for the account of, the Owners entitled thereto.

The Depositary may convert currency itself or through any of its affiliates and, in those cases, acts as principal for its own account and not as agent, advisor, broker or fiduciary on behalf of any other person and earns revenue, including, without limitation, transaction spreads, that it will retain for its own account. The revenue is based on, among other things, the difference between the exchange rate assigned to the currency conversion made under this Deposit Agreement and the rate that the Depositary or its affiliate receives when buying or selling foreign currency for its own account. The Depositary makes no representation that the exchange rate used or obtained in any currency conversion under this Deposit Agreement will be the most favorable rate that could be obtained at the time or that the method by which that rate will be determined will be the most favorable to Owners, subject to the Depositary’s obligations under Section 5.3. The methodology used to determine exchange rates used in currency conversions is available upon request.

SECTION 4.6. Fixing of Record Date.

Whenever a cash dividend, cash distribution or any other distribution is made on Deposited Securities or rights to purchase Shares or other securities are issued with respect to Deposited Securities (which rights will be delivered to or exercised or sold on behalf of Owners in accordance with Section 4.4) or the Depositary receives notice that a distribution or issuance of that kind will be made, or whenever the Depositary receives notice that a meeting of holders of Shares will be held in respect of which the Company has requested the Depositary to send a notice under Section 4.7, or whenever the Depositary will assess a fee or charge against the Owners, or whenever the Depositary causes a change in the number of Shares that are represented by each American Depositary Share, or whenever the Depositary otherwise finds it necessary or convenient, the Depositary shall fix a record date, which shall be the same as, or as near as practicable to, any corresponding record date set by the Company with respect to Shares, (a) for the determination of the Owners (i) who shall be entitled to receive the benefit of that dividend or other distribution or those rights, (ii) who shall be entitled to give instructions for the exercise of voting rights at that meeting, (iii) who shall be responsible for that fee or charge or (iv) for any other purpose for which the record date was set, or (b) on or after which each American Depositary Share will represent the changed number of Shares. Subject to the provisions of Sections 4.1 through 4.5 and to the other terms and conditions of this Deposit Agreement, the Owners on a record date fixed by the Depositary shall be entitled to receive the amount distributable by the Depositary with respect to that dividend or other distribution or those rights or the net proceeds of sale thereof in proportion to the number of American Depositary Shares held by them respectively, to give voting instructions or to act in respect of the other matter for which that record date was fixed, or be responsible for that fee or charge, as the case may be.

SECTION 4.7. Voting of Deposited Shares.

(a) Upon receipt of notice of any meeting of holders of Shares at which holders of Shares will be entitled to vote, if requested in writing by the Company, the Depositary shall, as soon as practicable thereafter, Disseminate to the Owners a notice, the form of which shall be in the sole discretion of the Depositary, that shall contain (i) the information contained in the notice of meeting received by the Depositary, (ii) a statement that the Owners as of the close of business on a specified record date will be entitled, subject to any applicable provision of Cayman Islands law and of the articles of association or similar documents of the Company, to instruct the Depositary as to the exercise of the voting rights pertaining to the amount of Shares represented by their respective American Depositary Shares, (iii) a statement as to the manner in which those instructions may be given and (iv) the last date on which the Depositary will accept instructions (the "Instruction Cutoff Date").

(b) Upon the written request of an Owner of American Depositary Shares, as of the date of the request or, if a record date was specified by the Depositary, as of that record date, received on or before any Instruction Cutoff Date established by the Depositary, the Depositary may, and if the Depositary sent a notice under the preceding paragraph shall, endeavor, in so far as practicable, to vote or cause to be voted the amount of deposited Shares represented by those American Depositary Shares in accordance with the instructions set forth in that request. The Depositary shall not vote or attempt to exercise the right to vote that attaches to the deposited Shares other than in accordance with instructions given by Owners and received by the Depositary.

(c) There can be no assurance that Owners generally or any Owner in particular will receive the notice described in paragraph (a) above in time to enable Owners to give instructions to the Depositary prior to the Instruction Cutoff Date.

(d) In order to give Owners a reasonable opportunity to instruct the Depositary as to the exercise of voting rights relating to Shares, if the Company will request the Depositary to Disseminate a notice under paragraph (a) above, the Company shall give the Depositary notice of the meeting, details concerning the matters to be voted upon and copies of materials to be made available to holders of Shares in connection with the meeting not less than 30 days prior to the meeting date.

SECTION 4.8. Tender and Exchange Offers; Redemption, Replacement or Cancellation of Deposited Securities.

(a) The Depositary shall not tender any Deposited Securities in response to any voluntary cash tender offer, exchange offer or similar offer made to holders of Deposited Securities (a "Voluntary Offer"), except when instructed in writing to do so by an Owner surrendering American Depositary Shares and subject to any conditions or procedures the Depositary may require.

(b) If the Depositary receives a written notice that Deposited Securities have been redeemed for cash or otherwise purchased for cash in a transaction that is mandatory and binding on the Depositary as a holder of those Deposited Securities (a "Redemption"), the Depositary, at the expense of the Company, shall (i) if required, surrender Deposited Securities that have been redeemed to the issuer of those securities or its agent on the redemption date, (ii) Disseminate a notice to Owners (A) notifying them of that Redemption, (B) calling for surrender of a corresponding number of American Depositary Shares and (C) notifying them that the called American Depositary Shares have been converted into a right only to receive the money received by the Depositary upon that Redemption and those net proceeds shall be the Deposited Securities to which Owners of those converted American Depositary Shares shall be entitled upon surrenders of those American Depositary Shares in accordance with Section 2.5 or 6.2 and (iii) distribute the money received upon that Redemption to the Owners entitled to it upon surrender by them of called American Depositary Shares in accordance with Section 2.5 (and, for the avoidance of doubt, Owners shall not be entitled to receive that money under Section 4.1). If the Redemption affects less than all the Deposited Securities, the Depositary shall call for surrender a corresponding portion of the outstanding American Depositary Shares and only those American Depositary Shares will automatically be converted into a right to receive the net proceeds of the Redemption. The Depositary shall allocate the American Depositary Shares converted under the preceding sentence among the Owners pro-rata to their respective holdings of American Depositary Shares immediately prior to the Redemption, except that the allocations may be adjusted so that no fraction of a converted American Depositary Share is allocated to any Owner. A Redemption of all or substantially all of the Deposited Securities shall be a Termination Option Event.

(c) If the Depositary is notified of or there occurs any change in nominal value or any subdivision, combination or any other reclassification of the Deposited Securities or any recapitalization, reorganization, sale of assets substantially as an entirety, merger or consolidation affecting the issuer of the Deposited Securities or to which it is a party that is mandatory and binding on the Depositary as a holder of Deposited Securities and, as a result, securities or other property have been or will be delivered in exchange, conversion, replacement or in lieu of, Deposited Securities (a "Replacement"), the Depositary shall, if required, surrender the old Deposited Securities affected by that Replacement of Shares and hold, as new Deposited Securities under this Deposit Agreement, the new securities or other property delivered to it in that Replacement. However, the Depositary may elect to sell those new Deposited Securities if in the opinion of the Depositary it is not lawful or not practical for it to hold those new Deposited Securities under this Deposit Agreement because those new Deposited Securities may not be distributed to Owners without registration under the Securities Act of 1933 or for any other reason, at public or private sale, at such places and on such terms as it deems proper and proceed as if those new Deposited Securities had been Redeemed under paragraph (b) above. A Replacement shall be a Termination Option Event.

(d) In the case of a Replacement where the new Deposited Securities will continue to be held under this Deposit Agreement, the Depositary may call for the surrender of outstanding Receipts to be exchanged for new Receipts specifically describing the new Deposited Securities and the number of those new Deposited Securities represented by each American Depositary Share. If the number of Shares represented by each American Depositary Share decreases as a result of a Replacement, the Depositary may call for surrender of the American Depositary Shares to be exchanged on a mandatory basis for a lesser number of American Depositary Shares and may sell American Depositary Shares to the extent necessary to avoid distributing fractions of American Depositary Shares in that exchange and distribute the net proceeds of that sale to the Owners entitled to them.

(e) If there are no Deposited Securities with respect to American Depositary Shares, including if the Deposited Securities are cancelled, or the Deposited Securities with respect to American Depositary Shares have become apparently worthless, the Depositary may call for surrender of those American Depositary Shares or may cancel those American Depositary Shares, upon notice to Owners, and that condition shall be a Termination Option Event.

SECTION 4.9. Reports.

The Depositary shall make available for inspection by Owners at its Office any reports and communications, including any proxy solicitation material, received from the Company which are both (a) received by the Depositary as the holder of the Deposited Securities and (b) made generally available to the holders of those Deposited Securities by the Company. The Company shall furnish reports and communications, including any proxy soliciting material to which this Section applies, to the Depositary in English, to the extent those materials are required to be translated into English pursuant to any regulations of the Commission.

SECTION 4.10. Lists of Owners.

Upon written request by the Company, the Depositary shall, at the expense of the Company, furnish to it a list, as of a recent date, of the names, addresses and American Depositary Share holdings of all Owners.

SECTION 4.11. Withholding.

If the Depositary determines that any distribution received or to be made by the Depositary (including Shares and rights to subscribe therefor) is subject to any tax or other governmental charge that the Depositary is obligated to withhold, the Depositary may sell, by public or private sale, all or a portion of the distributed property (including Shares and rights to subscribe therefor) in the amounts and manner the Depositary deems necessary and practicable to pay those taxes or charges, and the Depositary shall distribute the net proceeds of that sale, after deduction of those taxes or charges, to the Owners entitled thereto in proportion to the number of American Depositary Shares held by them respectively.

Services for Owners and Holders that may permit them to obtain reduced rates of tax withholding at source or reclaim excess tax withheld, and the fees and costs associated with using services of that kind, are not provided under, and are outside the scope of, this Deposit Agreement.

Each Owner and Holder agrees to indemnify the Company, the Depositary, the Custodian and their respective directors, employees, agents and affiliates for, and hold each of them harmless against, any claim by any governmental authority with respect to taxes, additions to tax, penalties or interest arising out of any refund of taxes, reduced withholding at source or other tax benefit received by it.

ARTICLE 5. THE DEPOSITARY, THE CUSTODIANS AND THE COMPANY

SECTION 5.1. Maintenance of Office and Register by the Depositary.

Until termination of this Deposit Agreement in accordance with its terms, the Depositary shall maintain facilities for the delivery, registration of transfers and surrender of American Depositary Shares in accordance with the provisions of this Deposit Agreement.

The Depositary shall keep a register of all Owners and all outstanding American Depositary Shares, which shall be open for inspection by the Owners at the Depositary's Office during regular business hours, but only for the purpose of communicating with Owners regarding the business of the Company or a matter related to this Deposit Agreement or the American Depositary Shares.

The Depositary may close the register for delivery, registration of transfer or surrender for the purpose of withdrawal from time to time as provided in Section 2.6 or upon the Company's written request.

If any American Depositary Shares are listed on one or more stock exchanges, the Depositary shall act as Registrar or appoint a Registrar or one or more co-registrars for registration of those American Depositary Shares in accordance with any requirements of that exchange or those exchanges.

The Company shall have the right, at all reasonable times, upon written request, to inspect transfer and registration records of the Depositary, the Registrar and any co-transfer agents or co-registrars and to require them to supply, at the Company's expense (unless otherwise agreed in writing between the Company and the Depositary) copies of such portions of their records as the Company may reasonably request.

SECTION 5.2. Prevention or Delay of Performance by the Company or the Depositary.

Neither the Depositary nor the Company nor any of their respective directors, employees, agents or affiliates shall incur any liability to any Owner or Holder:

(i) if by reason of (A) any provision of any present or future law or regulation or other act of the government of the United States, any State of the United States or any other state or jurisdiction, or of any governmental or regulatory authority or stock exchange; (B) (in the case of the Depositary only) any provision, present or future, of the articles of association or similar document of the Company, or any provision of any securities issued or distributed by the Company, or any offering or distribution thereof; or (C) any event or circumstance, whether natural or caused by a person or persons, that is beyond the ability of the Depositary or the Company, as the case may be, to prevent or counteract by reasonable care or effort (including, but not limited to, earthquakes, floods, severe storms, fires, explosions, war, terrorism, civil unrest, labor disputes or criminal acts; interruptions or malfunctions of utility services, Internet or other communications lines or systems; unauthorized access to or attacks on computer systems or websites; or other failures or malfunctions of computer hardware or software or other systems or equipment), the Depositary or the Company is, directly or indirectly, prevented from, forbidden to or delayed in, or could be subject to any civil or criminal penalty on account of doing or performing and therefore does not do or perform, any act or thing that, by the terms of this Deposit Agreement or the Deposited Securities, it is provided shall be done or performed;

(ii) for any exercise of, or failure to exercise, any discretion provided for in this Deposit Agreement (including any determination by the Depositary or the Company, to take, or not take, any action that this Deposit Agreement provides the Depositary or the Company, as the case may be, may take);

(iii) for the inability of any Owner or Holder to benefit from any distribution, offering, right or other benefit that is made available to holders of Deposited Securities but is not, under the terms of this Deposit Agreement, made available to Owners or Holders; or

(iv) for any special, consequential or punitive damages for any breach of the terms of this Deposit Agreement.

Where, by the terms of a distribution to which Section 4.1, 4.2 or 4.3 applies, or an offering to which Section 4.4 applies, or for any other reason, that distribution or offering may not be made available to Owners, and the Depositary may not dispose of that distribution or offering on behalf of Owners and make the net proceeds available to Owners, then the Depositary shall not make that distribution or offering available to Owners, and shall allow any rights, if applicable, to lapse.

SECTION 5.3. Obligations of the Depositary and the Company.

The Company assumes no obligation nor shall it be subject to any liability under this Deposit Agreement to any Owner or Holder, except that the Company agrees to perform its obligations specifically set forth in this Deposit Agreement without negligence or bad faith.

The Depositary assumes no obligation nor shall it be subject to any liability under this Deposit Agreement to any Owner or Holder (including, without limitation, liability with respect to the validity or worth of the Deposited Securities), except that the Depositary agrees to perform its obligations specifically set forth in this Deposit Agreement without negligence or bad faith, and the Depositary shall not be a fiduciary or have any fiduciary duty to Owners or Holders.

Neither the Depositary nor the Company shall be under any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Securities or in respect of the American Depositary Shares on behalf of any Owner or Holder or any other person.

Each of the Depositary and the Company may rely, and shall be protected in relying upon, any written notice, request, direction or other document believed by it to be genuine and to have been signed or presented by the proper party or parties.

Neither the Depositary nor the Company shall be liable for any action or non-action by it in reliance upon the advice of or information from legal counsel, accountants, any person presenting Shares for deposit, any Owner or any other person believed by it in good faith to be competent to give such advice or information.

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 or bad faith while it acted as Depositary.

The Depositary shall not be liable for the acts or omissions of any securities depository, clearing agency or settlement system in connection with or arising out of book-entry settlement of American Depositary Shares or Deposited Securities or otherwise.

In the absence of bad faith on its part, the Depositary shall not be responsible for any failure to carry out any instructions to vote any of the Deposited Securities, or for the manner in which any such vote is cast or the effect of any such vote.

The Depositary shall have no duty to make any determination or provide any information as to the tax status of the Company. Neither the Depositary nor the Company shall have any liability for any tax consequences that may be incurred by Owners or Holders as a result of owning or holding American Depositary Shares. Neither the Depositary nor the Company shall be liable for the inability or failure of an Owner or Holder to obtain the benefit of a foreign tax credit, reduced rate of withholding or refund of amounts withheld in respect of tax or any other tax benefit.

No disclaimer of liability under the United States federal securities laws is intended by any provision of this Deposit Agreement.

SECTION 5.4. Resignation and Removal of the Depositary.

The Depositary may at any time resign as Depositary hereunder by written notice of its election so to do delivered to the Company, to become effective upon the appointment of a successor depositary and its acceptance of that appointment as provided in this Section. The effect of resignation if a successor depositary is not appointed is provided for in Section 6.2.

The Depositary may at any time be removed by the Company by 90 days' prior written notice of that removal, to become effective upon the later of (i) the 90th day after delivery of the notice to the Depositary and (ii) the appointment of a successor depositary and its acceptance of its appointment as provided in this Section.

If the Depositary resigns or is removed, the Company shall use its best efforts to appoint a successor depositary, which shall be a bank or trust company having an office in the Borough of Manhattan, The City of New York. Every successor depositary shall execute and deliver to the Company an instrument in writing accepting its appointment under this Deposit Agreement. If the Depositary receives notice from the Company that a successor depositary has been appointed following its resignation or removal, the Depositary, upon payment of all sums due it from the Company, shall deliver to its successor a register listing all the Owners and their respective holdings of outstanding American Depositary Shares and shall deliver the Deposited Securities to or to the order of its successor. When the Depositary has taken the actions specified in the preceding sentence (i) the successor shall become the Depositary and shall have all the rights and shall assume all the duties of the Depositary under this Deposit Agreement and (ii) the predecessor depositary shall cease to be the Depositary and shall be discharged and released from all obligations under this Deposit Agreement, except for its duties under Section 5.8 with respect to the time before that discharge. A successor Depositary shall notify the Owners of its appointment as soon as practical after assuming the duties of Depositary.

Any corporation or other entity into or with which the Depositary may be merged or consolidated shall be the successor of the Depositary without the execution or filing of any document or any further act.

SECTION 5.5. The Custodians.

The Custodian shall be subject at all times and in all respects to the directions of the Depositary and shall be responsible solely to it. The Depositary in its discretion may at any time appoint a substitute or additional custodian or custodians, each of which shall thereafter be one of the Custodians under this Deposit Agreement. If the Depositary receives notice that a Custodian is resigning and, upon the effectiveness of that resignation there would be no Custodian acting under this Deposit Agreement, the Depositary shall, as promptly as practicable after receiving that notice, appoint a substitute custodian or custodians, each of which shall thereafter be a Custodian under this Deposit Agreement. The Depositary shall notify the Company of the appointment of a substitute or additional Custodian as promptly as practicable. The Depositary shall require any Custodian that resigns or is removed to deliver all Deposited Securities held by it to another Custodian.

SECTION 5.6. Notices and Reports.

If the Company takes or decides to take any corporate action of a kind that is addressed in Sections 4.1 to 4.4, or 4.6 to 4.8, or that effects or will effect a change of the name or legal structure of the Company, or that effects or will effect a change to the Shares, the Company shall notify the Depositary and the Custodian of that action or decision as soon as it is lawful and practical to give that notice. The notice shall be in English and shall include all details that the Company is required to include in any notice to any governmental or regulatory authority or securities exchange or is required to make available generally to holders of Shares by publication or otherwise.

The Company will arrange for the translation into English, if not already in English, to the extent required pursuant to any regulations of the Commission, and the prompt transmittal by the Company to the Depositary and the Custodian of all notices and any other reports and communications which are made generally available by the Company to holders of its Shares. If requested in writing by the Company, the Depositary will Disseminate, at the Company's expense, those notices, reports and communications to all Owners or otherwise make them available to Owners in a manner that the Company specifies as substantially equivalent to the manner in which those communications are made available to holders of Shares and compliant with the requirements of any securities exchange on which the American Depositary Shares are listed. The Company will timely provide the Depositary with the quantity of such notices, reports, and communications, as requested by the Depositary from time to time, in order for the Depositary to effect that Dissemination.

The Company represents that as of the date of this Deposit Agreement, the statements in Article 11 of the Receipt with respect to the Company's obligation to file periodic reports under the United States Securities Exchange Act of 1934, as amended, are true and correct. The Company agrees to promptly notify the Depositary upon becoming aware of any change in the truth of any of those statements.

SECTION 5.7. Distribution of Additional Shares, Rights, etc.

If the Company or any affiliate of the Company determines to make any issuance or distribution of (1) additional Shares, (2) rights to subscribe for Shares, (3) securities convertible into Shares, or (4) rights to subscribe for such securities (each a "Distribution"), the Company shall notify the Depositary in writing in English as promptly as practicable and in any event before the Distribution starts and, if reasonably requested in writing by the Depositary, the Company shall promptly furnish to the Depositary either (i) evidence satisfactory to the Depositary that the Distribution is registered under the Securities Act of 1933 or (ii) a written opinion from U.S. counsel for the Company that is reasonably satisfactory to the Depositary, stating that the Distribution does not require, or, if made in the United States, would not require, registration under the Securities Act of 1933.

The Company agrees with the Depositary that neither the Company nor any company controlled by, controlling or under common control with the Company will at any time deposit any Shares that, at the time of deposit, are Restricted Securities.

SECTION 5.8. Indemnification.

The Company agrees to indemnify the Depositary, its directors, employees, agents and affiliates and each Custodian against, and hold each of them harmless from, any liability or expense (including, but not limited to any documented fees and expenses incurred in seeking, enforcing or collecting such indemnity and the documented, reasonable fees and expenses of counsel) that may arise out of or in connection with (a) any registration with the Commission of American Depositary Shares or Deposited Securities or the offer or sale thereof or (b) acts performed or omitted, pursuant to the provisions of or in connection with this Deposit Agreement and the American Depositary Shares, as the same may be amended, modified or supplemented from time to time, (i) by either the Depositary or a Custodian or their respective directors, employees, agents and affiliates, except for any liability or expense arising out of the negligence or bad faith of either of them, or (ii) by the Company or any of its directors, employees, agents and affiliates.

The indemnities contained in the preceding paragraph shall not extend to any Losses arising out of information relating to the Depositary or any Custodian, as the case may be, furnished in writing by the Depositary to the Company expressly for use in any registration statement, proxy statement, prospectus or preliminary prospectus or any other offering documents relating to the American Depositary Share, the Shares or any other Deposited Securities (it being acknowledged that, as of the date of this Deposit Agreement, the Depositary has not furnished any information of that kind).

The Depositary agrees to indemnify the Company, its directors, employees, agents and affiliates and hold them harmless from any liability or expense (including, but not limited to any documented fees and expenses incurred in seeking, enforcing or collecting such indemnity and documented, reasonable fees and expenses of counsel) that may arise out of acts performed or omitted by the Depositary or any Custodian or their respective directors, employees, agents and affiliates due to their negligence or bad faith.

SECTION 5.9. Charges of Depositary.

The following charges shall be incurred by any party depositing or withdrawing Shares or by any party surrendering American Depositary Shares or to whom American Depositary Shares are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by the Company or an exchange of stock regarding the American Depositary Shares or Deposited Securities or a delivery of American Depositary Shares pursuant to Section 4.3), or by Owners, as applicable: (1) taxes and other governmental charges, (2) such registration fees as may from time to time be in effect for the registration of transfers of Shares generally on the Share register of the Company or Foreign Registrar and applicable to transfers of Shares to or from the name of the Depositary or its nominee or the Custodian or its nominee on the making of deposits or withdrawals hereunder, (3) such cable (including SWIFT) and facsimile transmission fees and expenses as are expressly provided in this Deposit Agreement, (4) such expenses as are incurred by the Depositary in the conversion of foreign currency pursuant to Section 4.5, (5) a fee of $5.00 or less per 100 American Depositary Shares (or portion thereof) for the delivery of American Depositary Shares pursuant to Section 2.3, 4.3 or 4.4 and the surrender of American Depositary Shares pursuant to Section 2.5 or 6.2, (6) a fee of $.05 or less per American Depositary Share (or portion thereof) for any cash distribution made pursuant to this Deposit Agreement, including, but not limited to Sections 4.1 through 4.4 and Section 4.8, (7) a fee for the distribution of securities pursuant to Section 4.2 or of rights pursuant to Section 4.4 (where the Depositary will not exercise or sell those rights on behalf of Owners), such fee being in an amount equal to the fee for the execution and delivery of American Depositary Shares referred to above which would have been charged as a result of the deposit of such securities under this Deposit Agreement (for purposes of this item 7 treating all such securities as if they were Shares) but which securities are instead distributed by the Depositary to Owners, (8) in addition to any fee charged under item 6 above, a fee of $.05 or less per American Depositary Share (or portion thereof) per annum for depositary services, which will be payable as provided in item 9 below, and (9) any other charges payable by the Depositary or the Custodian, any of the Depositary's or Custodian's agents or the agents of the Depositary's or Custodian's agents, in connection with the servicing of Shares or other Deposited Securities (which charges shall be assessed against Owners as of the date or dates set by the Depositary in accordance with Section 4.6 and shall be payable at the sole discretion of the Depositary by billing those Owners for those charges or by deducting those charges from one or more cash dividends or other cash distributions).

The Depositary may collect any of its fees by deduction from any cash distribution payable, or by selling a portion of any securities to be distributed, to Owners that are obligated to pay those fees.

In performing its duties under this Deposit Agreement, the Depositary may use brokers, dealers, foreign currency dealers or other service providers that are owned by or affiliated with the Depositary and that may earn or share fees, spreads or commissions.

The Depositary may own and deal in any class of securities of the Company and its affiliates and in American Depositary Shares.

SECTION 5.10. Retention of Depositary Documents.

The Depositary is authorized to destroy those documents, records, bills and other data compiled during the term of this Deposit Agreement at the times permitted by the laws or regulations governing the Depositary, unless the Company has requested in writing that those papers be retained for a longer period or turned over to the Company or to a successor depositary.

SECTION 5.11. Exclusivity.

Without prejudice to the Company's rights under Section 5.4, the Company agrees not to appoint any other depositary for issuance of depositary shares, depositary receipts or any similar securities or instruments so long as The Bank of New York Mellon is acting as Depositary under this Deposit Agreement.

SECTION 5.12. Information for Regulatory Compliance.

Each of the Company and the Depositary shall provide to the other, as promptly as practicable, information from its records or otherwise available to it that is reasonably requested by the other to permit the other to comply with applicable law or requirements of governmental or regulatory authorities.

ARTICLE 6. AMENDMENT AND TERMINATION

SECTION 6.1. Amendment.

The form of the Receipts and any provisions of this Deposit Agreement may at any time and from time to time be amended by agreement between the Company and the Depositary without the consent of Owners or Holders in any respect that they may deem necessary or desirable. Any amendment that would impose or increase any fees or charges (other than taxes and other governmental charges, registration fees, cable (including SWIFT) or facsimile transmission costs, delivery costs or other such expenses), or that would otherwise prejudice any substantial existing right of Owners, shall, however, not become effective as to outstanding American Depositary Shares until the expiration of 30 days after notice of that amendment has been Disseminated to the Owners of outstanding American Depositary Shares. Every Owner and Holder, at the time any amendment so becomes effective, shall be deemed, by continuing to hold American Depositary Shares or any interest therein, to consent and agree to that amendment and to be bound by this Deposit Agreement as amended thereby. Upon the effectiveness of an amendment to the form of Receipt, including a change in the number of Shares represented by each American Depositary Share, the Depositary may call for surrender of Receipts to be replaced with new Receipts in the amended form or call for surrender of American Depositary Shares to effect that change of ratio. In no event shall any amendment impair the right of the Owner to surrender American Depositary Shares and receive delivery of the Deposited Securities represented thereby, except in order to comply with mandatory provisions of applicable law.

SECTION 6.2. Termination.

(a) The Company may initiate termination of this Deposit Agreement by notice to the Depositary. The Depositary may initiate termination of this Deposit Agreement if (i) at any time 60 days shall have expired after the Depositary delivered to the Company a written resignation notice and a successor depositary has not been appointed and accepted its appointment as provided in Section 5.4 or (ii) a Termination Option Event has occurred or will occur. If termination of this Deposit Agreement is initiated, the Depositary shall Disseminate a notice of termination to the Owners of all American Depositary Shares then outstanding setting a date for termination (the "Termination Date"), which shall be at least 90 days after the date of that notice, and this Deposit Agreement shall terminate on that Termination Date.

(b) After the Termination Date, the Company shall be discharged from all obligations under this Deposit Agreement except for its obligations to the Depositary under Sections 5.8 and 5.9.

(c) At any time after the Termination Date, the Depositary may sell the Deposited Securities then held under this Deposit Agreement and may thereafter hold uninvested the net proceeds of any such sale, together with any other cash then held by it hereunder, unsegregated and without liability for interest, for the pro rata benefit of the Owners of American Depositary Shares that remain outstanding, and those Owners will be general creditors of the Depositary with respect to those net proceeds and that other cash. After making that sale, the Depositary shall be discharged from all obligations under this Deposit Agreement, except (i) to account for the net proceeds and other cash (after deducting, in each case, the fee of the Depositary for the surrender of American Depositary Shares, any expenses for the account of the Owner of such American Depositary Shares in accordance with the terms and conditions of this Deposit Agreement and any applicable taxes or governmental charges) and (ii) for its obligations under Section 5.8 and (iii) to act as provided in paragraph (d) below.

(d) After the Termination Date, if any American Depositary Shares remain outstanding, the Depositary shall continue to receive dividends and other distributions pertaining to Deposited Securities (that have not been sold), may sell rights and other property as provided in this Deposit Agreement and shall deliver Deposited Securities (or sale proceeds) upon surrender of American Depositary Shares (after payment or upon deduction, in each case, of the fee of the Depositary for the surrender of American Depositary Shares, any expenses for the account of the Owner of those American Depositary Shares in accordance with the terms and conditions of this Deposit Agreement and any applicable taxes or governmental charges). After the Termination Date, the Depositary shall not accept deposits of Shares or deliver American Depositary Shares. After the Termination Date, (i) the Depositary may refuse to accept surrenders of American Depositary Shares for the purpose of withdrawal of Deposited Securities (that have not been sold) or reverse previously accepted surrenders of that kind that have not settled if in its judgment the requested withdrawal would interfere with its efforts to sell the Deposited Securities, (ii) the Depositary will not be required to deliver cash proceeds of the sale of Deposited Securities until all Deposited Securities have been sold and (iii) the Depositary may discontinue the registration of transfers of American Depositary Shares and suspend the distribution of dividends and other distributions on Deposited Securities to the Owners and need not give any further notices or perform any further acts under this Deposit Agreement except as provided in this Section.

ARTICLE 7. MISCELLANEOUS

SECTION 7.1. Counterparts; Signatures; Delivery.

This Deposit Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of those counterparts shall constitute one and the same instrument. Copies of this Deposit Agreement shall be filed with the Depositary and the Custodians and shall be open to inspection by any Owner or Holder during regular business hours.

The exchange of copies of this Deposit Agreement and manually-signed signature pages by facsimile, or email attaching a pdf or similar bit-mapped image, shall constitute effective execution and delivery of this Deposit Agreement as to the parties to it; copies and signature pages so exchanged may be used in lieu of the original Deposit Agreement and signature pages for all purposes and shall have the same validity, legal effect and admissibility in evidence as an original manual signature; the parties to this Deposit Agreement hereby agree not to argue to the contrary.

SECTION 7.2. No Third Party Beneficiaries.

This Deposit Agreement is for the exclusive benefit of the Company, the Depositary, the Owners and the Holders and their respective successors and shall not be deemed to give any legal or equitable right, remedy or claim whatsoever to any other person.

SECTION 7.3. Severability.

In case any one or more of the provisions contained in this Deposit Agreement or in a Receipt should be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Deposit Agreement or that Receipt shall in no way be affected, prejudiced or disturbed thereby.

SECTION 7.4. Owners and Holders as Parties; Binding Effect.

The Owners and Holders from time to time shall be parties to this Deposit Agreement and shall be bound by all of the terms and conditions of this Deposit Agreement and of the Receipts by acceptance of American Depositary Shares or any interest therein.

SECTION 7.5. Notices.

Any and all notices to be given to the Company shall be in writing and shall be deemed to have been duly given if personally delivered or sent by domestic first class or international air mail or air courier or sent by facsimile transmission or email attaching a pdf or similar bit-mapped image of a signed writing, provided that receipt of the facsimile transmission or email has been confirmed by the recipient, addressed to Q&K International Group Limited, Suite 1607, Building A, No.596 Middle Longhua Road, Xuhui District, Shanghai, 200032, People's Republic of China, Attention: Chief Executive Officer, or any other place to which the Company may have transferred its principal office with notice to the Depositary.

Any and all notices to be given to the Depositary shall be in writing and shall be deemed to have been duly given if in English and personally delivered or sent by first class domestic or international air mail or air courier or sent by facsimile transmission or email attaching a pdf or similar bit-mapped image of a signed writing, addressed to The Bank of New York Mellon, 240 Greenwich Street, New York, New York 10286, Attention: Depositary Receipt Administration, or any other place to which the Depositary may have transferred its Office with notice to the Company.

Delivery of a notice to the Company or Depositary by mail or air courier shall be deemed effected when deposited, postage prepaid, in a post-office letter box or received by an air courier service. Delivery of a notice to the Company or Depositary sent by facsimile transmission or email shall be deemed effected when the recipient acknowledges receipt of that notice.

A notice to be given to an Owner shall be deemed to have been duly given when Disseminated to that Owner. Dissemination in paper form will be effective when personally delivered or sent by first class domestic or international air mail or air courier, addressed to that Owner at the address of that Owner as it appears on the transfer books for American Depositary Shares of the Depositary, or, if that Owner has filed with the Depositary a written request that notices intended for that Owner be mailed to some other address, at the address designated in that request. Dissemination in electronic form will be effective when sent in the manner consented to by the Owner to the electronic address most recently provided by the Owner for that purpose.

SECTION 7.6. Arbitration; Settlement of Disputes.

Any controversy, claim or cause of action brought by any party hereto against the Company arising out of or relating to the Shares or other Deposited Securities, the American Depositary Shares, the Receipts or this Deposit Agreement, or the breach hereof or thereof, if so elected by the claimant, shall be settled by arbitration in accordance with the International Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

The place of the arbitration shall be The City of New York, State of New York, United States of America, and the language of the arbitration shall be English.

The number of arbitrators shall be three, each of whom shall be disinterested in the dispute or controversy, shall have no connection with any party thereto, and shall be an attorney experienced in international securities transactions. Each party shall appoint one arbitrator and the two arbitrators shall select a third arbitrator who shall serve as chairperson of the tribunal. If a dispute, controversy or cause of action shall involve more than two parties, the parties shall attempt to align themselves in two sides (i.e., claimant(s) and respondent(s)), each of which shall appoint one arbitrator as if there were only two parties to such dispute, controversy or cause of action. If such alignment and appointment shall not have occurred within thirty (30) calendar days after the initiating party serves the arbitration demand, the American Arbitration Association shall appoint the three arbitrators, each of whom shall have the qualifications described above. The parties and the American Arbitration Association may appoint from among the nationals of any country, whether or not a party is a national of that country.

The arbitral tribunal shall have no authority to award any consequential, special or punitive damages or other damages not measured by the prevailing party's actual damages and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of this Deposit Agreement.

SECTION 7.7. Appointment of Agent for Service of Process; Submission to Jurisdiction; Jury Trial Waiver.

The Company hereby (i) designates and appoints the person named in Exhibit A to this Deposit Agreement as the Company's authorized agent in the United States upon which process may be served in any suit or proceeding (including any arbitration proceeding) arising out of or relating to the Shares or Deposited Securities, the American Depositary Shares, the Receipts or this Deposit Agreement (a "Proceeding"), (ii) consents and submits to the jurisdiction of any state or federal court in the State of New York in which any Proceeding may be instituted and (iii) agrees that service of process upon said authorized agent shall be deemed in every respect effective service of process upon the Company in any Proceeding. The Company agrees to deliver to the Depositary, upon the execution and delivery of this Deposit Agreement, a written acceptance by the agent named in Exhibit A to this Deposit Agreement of its appointment as process agent. The Company further agrees to take any and all action, including the filing of any and all such documents and instruments, as may be necessary to continue that designation and appointment in full force and effect, or to appoint and maintain the appointment of another process agent located in the United States as required above, and to deliver to the Depositary a written acceptance by that agent of that appointment, for so long as any American Depositary Shares or Receipts remain outstanding or this Deposit Agreement remains in force. In the event the Company fails to maintain the designation and appointment of a process agent in the United States in full force and effect, the Company hereby waives personal service of process upon it and consents that a service of process in connection with a Proceeding may be made by certified or registered mail, return receipt requested, directed to the Company at its address last specified for notices under this Deposit Agreement, and service so made shall be deemed completed five (5) days after the same shall have been so mailed.

EACH PARTY TO THIS DEPOSIT AGREEMENT (INCLUDING, FOR AVOIDANCE OF DOUBT, EACH OWNER AND HOLDER) HEREBY 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 COMPANY AND/OR THE DEPOSITARY DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE SHARES OR OTHER DEPOSITED SECURITIES, THE AMERICAN DEPOSITARY SHARES OR THE RECEIPTS, THIS DEPOSIT AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREIN OR THEREIN, OR THE BREACH HEREOF OR THEREOF, INCLUDING, WITHOUT LIMITATION, ANY QUESTION REGARDING EXISTENCE, VALIDITY OR TERMINATION (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

SECTION 7.8. Waiver of Immunities.

To the extent that the Company or any of its properties, assets or revenues may have or may hereafter become entitled to, or have attributed to it, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any respect thereof, from setoff or counterclaim, from the jurisdiction of any court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution or judgment, or from execution of judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any jurisdiction in which proceedings may at any time be commenced, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with the Shares or Deposited Securities, the American Depositary Shares, the Receipts or this Deposit Agreement, the Company, to the fullest extent permitted by law, hereby irrevocably and unconditionally waives, and agrees not to plead or claim, any immunity of that kind and consents to relief and enforcement as provided above.

SECTION 7.9. Governing Law.

This Deposit Agreement and the Receipts shall be interpreted in accordance with and all rights hereunder and thereunder and provisions hereof and thereof shall be governed by the laws of the State of New York.

IN WITNESS WHEREOF, Q&K INTERNATIONAL GROUP LIMITED and THE BANK OF NEW YORK MELLON have duly executed this Deposit Agreement as of the day and year first set forth above and all Owners and Holders shall become parties hereto upon acceptance by them of American Depositary Shares or any interest therein.

Q&K INTERNATIONAL GROUP LIMITED

By: _____
Name:
Title:

THE BANK OF NEW YORK MELLON,
as Depositary

By: _____
Name:
Title:

EXHIBIT A

AMERICAN DEPOSITARY SHARES
(Each American Depositary Share represents
_____ deposited Shares)

THE BANK OF NEW YORK MELLON
AMERICAN DEPOSITARY RECEIPT
FOR CLASS A ORDINARY SHARES OF
Q&K INTERNATIONAL GROUP LIMITED(INCORPORATED UNDER THE LAWS OF THE CAYMAN ISLANDS)

The Bank of New York Mellon, as depositary (hereinafter called the "Depositary"), hereby certifies that _____, or registered assigns IS THE OWNER OF _____

AMERICAN DEPOSITARY SHARES

representing deposited Class A ordinary shares (herein called "Shares") of Q&K International Group Limited, incorporated under the laws of the Cayman Islands (herein called the "Company"). At the date hereof, each American Depositary Share represents Shares deposited or subject to deposit under the Deposit Agreement (as such term is hereinafter defined) with a custodian for the Depositary (herein called the "Custodian") that, as of the date of the Deposit Agreement, was The Hongkong and Shanghai Banking Corporation Limited, located in Hong Kong. The Depositary's Office and its principal executive office are located at 240 Greenwich Street, New York, N.Y. 10286.

THE DEPOSITARY'S OFFICE ADDRESS IS
240 GREENWICH STREET, NEW YORK, N.Y. 10286

1. THE DEPOSIT AGREEMENT.

This American Depositary Receipt is one of an issue (herein called "Receipts"), all issued and to be issued upon the terms and conditions set forth in the Deposit Agreement dated as of , 2019 (herein called the "Deposit Agreement") among the Company, the Depositary, and all Owners and Holders from time to time of American Depositary Shares issued thereunder, each of whom by accepting American Depositary Shares agrees to become a party thereto and become bound by all the terms and conditions thereof. The Deposit Agreement sets forth the rights of Owners and Holders and the rights and duties of the Depositary in respect of the Shares deposited thereunder and any and all other securities, property and cash from time to time received in respect of those Shares and held thereunder (those Shares, securities, property, and cash are herein called "Deposited Securities"). Copies of the Deposit Agreement are on file at the Depositary's Office in New York City and at the office of the Custodian.

The statements made on the face and reverse of this Receipt are summaries of certain provisions of the Deposit Agreement and are qualified by and subject to the detailed provisions of the Deposit Agreement, to which reference is hereby made. Capitalized terms defined in the Deposit Agreement and not defined herein shall have the meanings set forth in the Deposit Agreement.

2. SURRENDER OF AMERICAN DEPOSITARY SHARES AND WITHDRAWAL OF SHARES.

Upon surrender of American Depositary Shares for the purpose of withdrawal of the Deposited Securities represented thereby and payment of the fee of the Depositary for the surrender of American Depositary Shares as provided in Section 5.9 of the Deposit Agreement and payment of all taxes and governmental charges payable in connection with that surrender and withdrawal of the Deposited Securities, and subject to the terms and conditions of the Deposit Agreement, the Owner of those American Depositary Shares shall be entitled to delivery (to the extent delivery can then be lawfully and practicably made), to or as instructed by that Owner, of the amount of Deposited Securities at the time represented by those American Depositary Shares, but not any money or other property as to which a record date for distribution to Owners has passed (since money or other property of that kind will be delivered or paid on the scheduled payment date to the Owner as of that record date), and except that the Depositary shall not be required to accept surrender of American Depositary Shares for the purpose of withdrawal to the extent it would require delivery of a fraction of a Deposited Security. The Depositary shall direct the Custodian with respect to delivery of Deposited Securities and may charge the surrendering Owner a fee and its expenses for giving that direction by cable (including SWIFT) or facsimile transmission. If Deposited Securities are delivered physically upon surrender of American Depositary Shares for the purpose of withdrawal, that delivery will be made at the Custodian's office, except that, at the request, risk and expense of the surrendering Owner, and for the account of that Owner, the Depositary shall direct the Custodian to forward any cash or other property comprising, and forward a certificate or certificates, if applicable, and other proper documents of title, if any, for, the Deposited Securities represented by the surrendered American Depositary Shares to the Depositary for delivery at the Depositary's Office or to another address specified in the order received from the surrendering Owner.

3. REGISTRATION OF TRANSFER OF AMERICAN DEPOSITARY SHARES; COMBINATION AND SPLIT-UP OF RECEIPTS; INTERCHANGE OF CERTIFICATED AND UNCERTIFICATED AMERICAN DEPOSITARY SHARES.

The Depositary, subject to the terms and conditions of the Deposit Agreement, shall register a transfer of American Depositary Shares on its transfer books upon (i) in the case of certificated American Depositary Shares, surrender of the Receipt evidencing those American Depositary Shares, by the Owner or by a duly authorized attorney, properly endorsed or accompanied by proper instruments of transfer or (ii) in the case of uncertificated American Depositary Shares, receipt from the Owner of a proper instruction (including, for the avoidance of doubt, instructions through DRS and Profile as provided in Section 2.9 of that Agreement), and, in either case, duly stamped as may be required by the laws of the State of New York and of the United States of America. Upon registration of a transfer, the Depositary shall deliver the transferred American Depositary Shares to or upon the order of the person entitled thereto.

The Depositary, subject to the terms and conditions of the Deposit Agreement, shall upon surrender of a Receipt or Receipts for the purpose of effecting a split-up or combination of such Receipt or Receipts, execute and deliver a new Receipt or Receipts for any authorized number of American Depositary Shares requested, evidencing the same aggregate number of American Depositary Shares as the Receipt or Receipts surrendered.

The Depositary, upon surrender of certificated American Depositary Shares for the purpose of exchanging for uncertificated American Depositary Shares, shall cancel the Receipt evidencing those certificated American Depositary Shares and send the Owner a statement confirming that the Owner is the owner of the same number of uncertificated American Depositary Shares. The Depositary, upon receipt of a proper instruction (including, for the avoidance of doubt, instructions through DRS and Profile as provided in Section 2.9 of the Deposit Agreement) from the Owner of uncertificated American Depositary Shares for the purpose of exchanging for certificated American Depositary Shares, shall cancel those uncertificated American Depositary Shares and register and deliver to the Owner a Receipt evidencing the same number of certificated American Depositary Shares.

As a condition precedent to the delivery, registration of transfer, or surrender of any American Depositary Shares or split-up or combination of any Receipt or withdrawal of any Deposited Securities, the Depositary, the Custodian, or Registrar may require payment from the depositor of the Shares or the presenter of the Receipt or instruction for registration of transfer or surrender of American Depositary Shares not evidenced by a Receipt of a sum sufficient to reimburse it for any tax or other governmental charge and any stock transfer or registration fee with respect thereto (including any such tax or charge and fee with respect to Shares being deposited or withdrawn) and payment of any applicable fees as provided in the Deposit Agreement, may require the production of proof satisfactory to it as to the identity and genuineness of any signature and may also require compliance with any regulations the Depositary may establish consistent with the provisions of the Deposit Agreement.

The Depositary may refuse to accept deposits of Shares for delivery of American Depositary Shares or to register transfers of American Depositary Shares in particular instances, or may suspend deposits of Shares or registration of transfer generally, whenever it or the Company considers it necessary or advisable to do so. The Depositary may refuse surrenders of American Depositary Shares for the purpose of withdrawal of Deposited Securities in particular instances, or may suspend surrenders for the purpose of withdrawal generally, but, notwithstanding anything to the contrary in the Deposit Agreement, only for (i) temporary delays caused by closing of the Depositary's register or the register of holders of Shares maintained by the Company or the Foreign Registrar, 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, (iii) compliance with any U.S. or foreign laws or governmental regulations relating to the American Depositary Shares or to the withdrawal of the Deposited Securities or (iv) any other reason that, at the time, is permitted under paragraph I(A)(1) of the General Instructions to Form F-6 under the Securities Act of 1993 or any successor to that provision.

The Depositary shall not knowingly accept for deposit under the Deposit Agreement any Shares that, at the time of deposit, are Restricted Securities.

4. LIABILITY OF OWNER FOR TAXES.

If any tax or other governmental charge shall become payable by the Custodian or the Depositary with respect to or in connection with any American Depositary Shares or any Deposited Securities represented by any American Depositary Shares or in connection with a transaction to which Section 4.8 of the Deposit Agreement applies, that tax or other governmental charge shall be payable by the Owner of those American Depositary Shares to the Depositary. The Depositary may refuse to register any transfer of those American Depositary Shares or any withdrawal of Deposited Securities represented by those American Depositary Shares until that payment is made, and may withhold any dividends or other distributions or the proceeds thereof, or may sell for the account of the Owner any part or all of the Deposited Securities represented by those American Depositary Shares, and may apply those dividends or other distributions or the net proceeds of any sale of that kind in payment of that tax or other governmental charge but, even after a sale of that kind, the Owner shall remain liable for any deficiency. The Depositary shall distribute any net proceeds of a sale made under Section 3.2 of the Deposit Agreement that are not used to pay taxes or governmental charges to the Owners entitled to them in accordance with Section 4.1 of the Deposit Agreement. If the number of Shares represented by each American Depositary Share decreases as a result of a sale of Deposited Securities under Section 3.2 of the Deposit Agreement, the Depositary may call for surrender of the American Depositary Shares to be exchanged on a mandatory basis for a lesser number of American Depositary Shares and may sell American Depositary Shares to the extent necessary to avoid distributing fractions of American Depositary Shares in that exchange and distribute the net proceeds of that sale to the Owners entitled to them.

5. WARRANTIES ON DEPOSIT OF SHARES.

Every person depositing Shares under the Deposit Agreement shall be deemed thereby to represent and warrant that those Shares and each certificate therefor, if applicable, are validly issued, fully paid and nonassessable and were not issued in violation of any preemptive or similar rights of the holders of outstanding securities of the Company and that the person making that deposit is duly authorized so to do. Every depositing person shall also be deemed to represent that the Shares, at the time of deposit, are not Restricted Securities. All representations and warranties deemed made under Section 3.3 of the Deposit Agreement shall survive the deposit of Shares and delivery of American Depositary Shares.

6. FILING PROOFS, CERTIFICATES, AND OTHER INFORMATION.

Any person presenting Shares for deposit or any Owner or Holder may be required from time to time to file with the Depositary or the Custodian such proof of citizenship or residence, exchange control approval, or such information relating to the registration on the books of the Company or the Foreign Registrar, if applicable, to execute such certificates and to make such representations and warranties, as the Depositary may deem necessary or proper, or as the Company may reasonably require by written request to the Depositary. The Depositary may withhold the delivery or registration of transfer of any American Depositary Shares, the distribution of any dividend or other distribution or of the proceeds thereof or the delivery of any Deposited Securities until that proof or other information is filed or those certificates are executed or those representations and warranties are made. As conditions of accepting Shares for deposit, the Depositary may require (i) any certification required by the Depositary or the Custodian in accordance with the provisions of the Deposit Agreement, (ii) a written order directing the Depositary to deliver to, or upon the written order of, the person or persons stated in that order, the number of American Depositary Shares representing those Deposited Shares, (iii) evidence satisfactory to the Depositary that those Shares have been re-registered in the books of the Company or the Foreign Registrar in the name of the Depositary, a Custodian or a nominee of the Depositary or a Custodian, (iv) evidence satisfactory to the Depositary that any necessary approval has been granted by any governmental body in each applicable jurisdiction and (v) an agreement or assignment, or other instrument satisfactory to the Depositary, that provides for the prompt transfer to the Custodian of any dividend, or right to subscribe for additional Shares or to receive other property, that any person in whose name those Shares are or have been recorded may thereafter receive upon or in respect of those Shares, or, in lieu thereof, such agreement of indemnity or other agreement as shall be satisfactory to the Depositary. The Depositary shall refuse, and shall instruct the Custodian to refuse, to accept Shares for deposit if the Depositary has received a notice from the Company that the Company has restricted transfer of those Shares under the Company’s articles of association or any applicable laws or that the deposit would result in any violation of the Company’s articles of association or any applicable laws.

7. CHARGES OF DEPOSITARY.

The following charges shall be incurred by any party depositing or withdrawing Shares or by any party surrendering American Depositary Shares or to whom American Depositary Shares are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by the Company or an exchange of stock regarding the American Depositary Shares or Deposited Securities or a delivery of American Depositary Shares pursuant to Section 4.3 of the Deposit Agreement), or by Owners, as applicable: (1) taxes and other governmental charges, (2) such registration fees as may from time to time be in effect for the registration of transfers of Shares generally on the Share register of the Company or Foreign Registrar and applicable to transfers of Shares to or from the name of the Depositary or its nominee or the Custodian or its nominee on the making of deposits or withdrawals hereunder, (3) such cable (including SWIFT) and facsimile transmission fees and expenses as are expressly provided in the Deposit Agreement, (4) such expenses as are incurred by the Depositary in the conversion of foreign currency pursuant to Section 4.5 of the Deposit Agreement, (5) a fee of $5.00 or less per 100 American Depositary Shares (or portion thereof) for the delivery of American Depositary Shares pursuant to Section 2.3, 4.3 or 4.4 of the Deposit Agreement and the surrender of American Depositary Shares pursuant to Section 2.5 or 6.2 of the Deposit Agreement, (6) a fee of $.05 or less per American Depositary Share (or portion thereof) for any cash distribution made pursuant to the Deposit Agreement, including, but not limited to Sections 4.1 through 4.4 and 4.8 of the Deposit Agreement, (7) a fee for the distribution of securities pursuant to Section 4.2 of the Deposit Agreement or of rights pursuant to Section 4.4 of that Agreement (where the Depositary will not exercise or sell those rights on behalf of Owners), such fee being in an amount equal to the fee for the execution and delivery of American Depositary Shares referred to above which would have been charged as a result of the deposit of such securities under the Deposit Agreement (for purposes of this item 7 treating all such securities as if they were Shares) but which securities are instead distributed by the Depositary to Owners, (8) in addition to any fee charged under item 6, a fee of $.05 or less per American Depositary Share (or portion thereof) per annum for depositary services, which will be payable as provided in item 9 below, and (9) any other charges payable by the Depositary or the Custodian, any of the Depositary's or Custodian's agents or the agents of the Depositary's or Custodian's agents, in connection with the servicing of Shares or other Deposited Securities (which charges shall be assessed against Owners as of the date or dates set by the Depositary in accordance with Section 4.6 of the Deposit Agreement and shall be payable at the sole discretion of the Depositary by billing those Owners for those charges or by deducting those charges from one or more cash dividends or other cash distributions).

The Depositary may collect any of its fees by deduction from any cash distribution payable, or by selling a portion of any securities to be distributed, to Owners that are obligated to pay those fees.

The Depositary may own and deal in any class of securities of the Company and its affiliates and in American Depositary Shares.

From time to time, the Depositary may make payments to the Company to reimburse the Company for costs and expenses generally arising out of establishment and maintenance of the American Depositary Shares program, waive fees and expenses for services provided by the Depositary or share revenue from the fees collected from Owners or Holders. In performing its duties under the Deposit Agreement, the Depositary may use brokers, dealers, foreign currency dealers or other service providers that are owned by or affiliated with the Depositary and that may earn or share fees, spreads or commissions.

8. DISCLOSURE OF INTERESTS.

When required in order to comply with applicable laws and regulations or the articles of association or similar document of the Company, the Company may from time to time request each Owner and Holder to provide to the Depositary information relating to: (a) the capacity in which it holds American Depositary Shares, (b) the identity of any Holders or other persons or entities then or previously interested in those American Depositary Shares and the nature of those interests and (c) any other matter where disclosure of such matter is required for that compliance. Each Owner and Holder agrees to provide all information known to it in response to a request made pursuant to Section 3.4 of the Deposit Agreement. Each Holder consents to the disclosure by the Depositary and the Owner or other Holder through which it holds American Depositary Shares, directly or indirectly, of all information responsive to a request made pursuant to that Section relating to that Holder that is known to that Owner or other Holder.

9. TITLE TO AMERICAN DEPOSITARY SHARES.

It is a condition of the American Depositary Shares, and every successive Owner and Holder of American Depositary Shares, by accepting or holding the same, consents and agrees that American Depositary Shares evidenced by a Receipt, when the Receipt is properly endorsed or accompanied by proper instruments of transfer, shall be transferable as certificated registered securities under the laws of the State of New York, and that American Depositary Shares not evidenced by Receipts shall be transferable as uncertificated registered securities under the laws of the State of New York. The Depositary, notwithstanding any notice to the contrary, may treat the Owner of American Depositary Shares as the absolute owner thereof for the purpose of determining the person entitled to distribution of dividends or other distributions or to any notice provided for in the Deposit Agreement and for all other purposes, and neither the Depositary nor the Company shall have any obligation or be subject to any liability under the Deposit Agreement to any Holder of American Depositary Shares, but only to the Owner.

10. VALIDITY OF RECEIPT.

This Receipt shall not be entitled to any benefits under the Deposit Agreement or be valid or obligatory for any purpose, unless this Receipt shall have been (i) executed by the Depositary by the manual signature of a duly authorized officer of the Depositary or (ii) executed by the facsimile signature of a duly authorized officer of the Depositary and countersigned by the manual signature of a duly authorized signatory of the Depositary or the Registrar or a co-registrar.

11. REPORTS; INSPECTION OF TRANSFER BOOKS.

The Company is subject to the periodic reporting requirements of the Securities Exchange Act of 1934 and, accordingly, files certain reports with the Securities and Exchange Commission. Those reports will be available for inspection and copying through the Commission's EDGAR system or at public reference facilities maintained by the Commission in Washington, D.C.

The Depositary will make available for inspection by Owners at its Office any reports, notices and other communications, including any proxy soliciting material, received from the Company which are both (a) received by the Depositary as the holder of the Deposited Securities and (b) made generally available to the holders of those Deposited Securities by the Company. The Company shall furnish reports and communications, including any proxy soliciting material to which Section 4.9 of the Deposit Agreement applies, to the Depositary in English, to the extent such materials are required to be translated into English pursuant to any regulations of the Commission.

The Depositary will maintain a register of American Depositary Shares and transfers of American Depositary Shares, which shall be open for inspection by the Owners at the Depositary's Office during regular business hours, but only for the purpose of communicating with Owners regarding the business of the Company or a matter related to this Deposit Agreement or the American Depositary Shares.

12. DIVIDENDS AND DISTRIBUTIONS.

Whenever the Depositary receives any cash dividend or other cash distribution on Deposited Securities, the Depositary will, if at the time of receipt thereof any amounts received in a foreign currency can in the judgment of the Depositary be converted on a reasonable basis into Dollars transferable to the United States, and subject to the Deposit Agreement, convert that dividend or other cash distribution into Dollars and distribute the amount thus received (net of the fees and expenses of the Depositary as provided in Article 7 hereof and Section 5.9 of the Deposit Agreement) to the Owners entitled thereto; provided, however, that if the Custodian or the Depositary is required to withhold and does withhold from that cash dividend or other cash distribution an amount on account of taxes or other governmental charges, the amount distributed to the Owners of the American Depositary Shares representing those Deposited Securities shall be reduced accordingly. If a cash distribution would represent a return of all or substantially all the value of the Deposited Securities underlying American Depositary Shares, the Depositary may require surrender of those American Depositary Shares and may require payment of or deduct the fee for surrender of American Depositary Shares (whether or not it is also requiring surrender of American Depositary Shares) as a condition of making that cash distribution. A distribution of that kind shall be a Termination Option Event.

Subject to the provisions of Section 4.11 and 5.9 of the Deposit Agreement, whenever the Depositary receives any distribution other than a distribution described in Section 4.1, 4.3 or 4.4 of the Deposit Agreement on Deposited Securities (but not in exchange for or in conversion or in lieu of Deposited Securities), the Depositary will cause the securities or property received by it to be distributed to the Owners entitled thereto, after deduction or upon payment of any fees and expenses of the Depositary and any taxes or other governmental charges, in any manner that the Depositary deems equitable and practicable for accomplishing that distribution (which may be a distribution of depositary shares representing the securities received); provided, however, that if in the opinion of the Depositary such distribution cannot be made proportionately among the Owners entitled thereto, or if for any other reason the Depositary deems such distribution not to be lawful and feasible, after consultation with the Company to the extent practicable, the Depositary may adopt such other method as it may deem equitable and practicable for the purpose of effecting such distribution, including, but not limited to, the public or private sale of the securities or property thus received, or any part thereof, and distribution of the net proceeds of any such sale (net of the fees and expenses of the Depositary as provided in Article 7 hereof and Section 5.9 of the Deposit Agreement) to the Owners entitled thereto all in the manner and subject to the conditions set forth in Section 4.1 of the Deposit Agreement. The Depositary may withhold any distribution of securities under Section 4.2 of the Deposit Agreement if it has not received satisfactory assurances from the Company that the distribution does not require registration under the Securities Act of 1933. The Depositary may sell, by public or private sale, an amount of securities or other property it would otherwise distribute under this Article that is sufficient to pay its fees and expenses in respect of that distribution. If a distribution under Section 4.2 of the Deposit Agreement would represent a return of all of substantially all the value of the Deposited Securities underlying American Depositary Shares, the Depositary may require surrender of those American Depositary Shares and may require payment of or deduct the fee for surrender of American Depositary Shares (whether or not it is also requiring surrender of American Depositary Shares) as a condition of making that distribution. A distribution of that kind shall be a Termination Option Event.

Whenever the Depositary receives any distribution consisting of a dividend in, or free distribution of, Shares, the Depositary may, and if the Company so requests in writing, shall, deliver to the Owners entitled thereto, an aggregate number of American Depositary Shares representing the amount of Shares received as that dividend or free distribution, subject to the terms and conditions of the Deposit Agreement with respect to the deposit of Shares and issuance of American Depositary Shares, including the withholding of any tax or other governmental charge as provided in Section 4.11 of the Deposit Agreement and the payment of the fees and expenses of the Depositary as provided in Article 7 hereof and Section 5.9 of the Deposit Agreement (and the Depositary may sell, by public or private sale, an amount of Shares received (or American Depositary Shares representing those Shares) sufficient to pay its fees and expenses in respect of that distribution). In lieu of delivering fractional American Depositary Shares, the Depositary may sell the amount of Shares represented by the aggregate of those fractions (or American Depositary Shares representing those Shares) and distribute the net proceeds, all in the manner and subject to the conditions described in Section 4.1of the Deposit Agreement. If and to the extent that additional American Depositary Shares are not delivered and Shares or American Depositary Shares are not sold, each American Depositary Share shall thenceforth also represent the additional Shares distributed on the Deposited Securities represented thereby.

If the Company declares a distribution in which holders of Deposited Securities have a right to elect whether to receive cash, Shares or other securities or a combination of those things, or a right to elect to have a distribution sold on their behalf, the Depositary may, after consultation with the Company, make that right of election available for exercise by Owners in any manner the Depositary considers to be lawful and practical. As a condition of making a distribution election right available to Owners, the Depositary may require satisfactory assurances from the Company that doing so does not require registration of any securities under the Securities Act of 1933.

If the Depositary determines that any distribution received or to be made by the Depositary (including Shares and rights to subscribe therefor) is subject to any tax or other governmental charge that the Depositary is obligated to withhold, the Depositary may sell, by public or private sale, all or a portion of the distributed property (including Shares and rights to subscribe therefor) in the amounts and manner the Depositary deems necessary and practicable to pay those taxes or charges, and the Depositary shall distribute the net proceeds of that sale, after deduction of those taxes or charges, to the Owners entitled thereto in proportion to the number of American Depositary Shares held by them respectively.

Each Owner and Holder agrees to indemnify the Company, the Depositary, the Custodian and their respective directors, employees, agents and affiliates for, and hold each of them harmless against, any claim by any governmental authority with respect to taxes, additions to tax, penalties or interest arising out of any refund of taxes, reduced withholding at source or other tax benefit received by it. Services for Owners and Holders that may permit them to obtain reduced rates of tax withholding at source or reclaim excess tax withheld, and the fees and costs associated with using services of that kind, are not provided under, and are outside the scope of, the Deposit Agreement.

13. RIGHTS.

(a) If rights are granted to the Depositary in respect of deposited Shares to purchase additional Shares or other securities, the Company and the Depositary shall endeavor to consult as to the actions, if any, the Depositary should take in connection with that grant of rights. The Depositary may, to the extent deemed by it to be lawful and practical (i) if requested in writing by the Company, grant to all or certain Owners rights to instruct the Depositary to purchase the securities to which the rights relate and deliver those securities or American Depositary Shares representing those securities to Owners, (ii) if requested in writing by the Company, deliver the rights to or to the order of certain Owners, or (iii) sell the rights to the extent practicable and distribute the net proceeds of that sale to Owners entitled to those proceeds. To the extent rights are not exercised, delivered or disposed of under (i), (ii) or (iii) above, the Depositary shall permit the rights to lapse unexercised.

(b) If the Depositary will act under (a)(i) above, the Company and the Depositary will enter into a separate agreement setting forth the conditions and procedures applicable to the particular offering. Upon instruction from an applicable Owner in the form the Depositary specified and upon payment by that Owner to the Depositary of an amount equal to the purchase price of the securities to be received upon the exercise of the rights, the Depositary shall, on behalf of that Owner, exercise the rights and purchase the securities. The purchased securities shall be delivered to, or as instructed by, the Depositary. The Depositary shall (i) deposit the purchased Shares under the Deposit Agreement and deliver American Depositary Shares representing those Shares to that Owner or (ii) deliver or cause the purchased Shares or other securities to be delivered to or to the order of that Owner. The Depositary will not act under (a)(i) above unless the offer and sale of the securities to which the rights relate are registered under the Securities Act of 1933 or the Depositary has received an opinion of United States counsel that is satisfactory to it to the effect that those securities may be sold and delivered to the applicable Owners without registration under the Securities Act of 1933.

(c) If the Depositary will act under (a)(ii) above, the Company and the Depositary will enter into a separate agreement setting forth the conditions and procedures applicable to the particular offering. Upon (i) the request of an applicable Owner to deliver the rights allocable to the American Depositary Shares of that Owner to an account specified by that Owner to which the rights can be delivered and (ii) receipt of such documents as the Company and the Depositary agreed to require to comply with applicable law, the Depositary will deliver those rights as requested by that Owner.

(d) If the Depositary will act under (a)(iii) above, the Depositary will use reasonable efforts to sell the rights in proportion to the number of American Depositary Shares held by the applicable Owners and pay the net proceeds to the Owners otherwise entitled to the rights that were sold, upon an averaged or other practical basis without regard to any distinctions among such Owners because of exchange restrictions or the date of delivery of any American Depositary Shares or otherwise.

(e) Payment or deduction of the fees of the Depositary as provided in Section 5.9 of the Deposit Agreement and payment or deduction of the expenses of the Depositary and any applicable taxes or other governmental charges shall be conditions of any delivery of securities or payment of cash proceeds under Section 4.4 of that Agreement.

(f) The Depositary shall not be responsible for any failure to determine that it may be lawful or feasible to make rights available to or exercise rights on behalf of Owners in general or any Owner in particular , or to sell rights.

14. CONVERSION OF FOREIGN CURRENCY.

Whenever the Depositary or the Custodian receives foreign currency, by way of dividends or other distributions or the net proceeds from the sale of securities, property or rights, and if at the time of the receipt thereof the foreign currency so received can in the judgment of the Depositary be converted on a reasonable basis into Dollars and the resulting Dollars transferred to the United States, the Depositary shall convert or cause to be converted, by sale or in any other manner that it may determine, that foreign currency into Dollars, and those Dollars shall be distributed to the Owners entitled thereto as promptly as practicable. A cash distribution may be made upon an averaged or other practicable basis without regard to any distinctions among Owners based on exchange restrictions, the date of delivery of any American Depositary Shares or otherwise and shall be net of any expenses of conversion into Dollars incurred by the Depositary as provided in Section 5.9 of the Deposit Agreement.

If a conversion of foreign currency or the repatriation or distribution of Dollars can be effected only with the approval or license of any government or agency thereof, the Depositary may, but will not be required to, file an application for that approval or license.

If the Depositary determines that in its judgment any foreign currency received by the Depositary or the Custodian is not convertible on a reasonable basis into Dollars transferable to the United States, or if any approval or license of any government or agency thereof that is required for such conversion is not filed or sought by the Depositary or is not obtained within a reasonable period as determined by the Depositary, the Depositary may distribute the foreign currency received by the Depositary to, or in its discretion may hold such foreign currency uninvested and without liability for interest thereon for the respective accounts of, the Owners entitled to receive the same.

If any conversion of foreign currency, in whole or in part, cannot be effected for distribution to some of the Owners entitled thereto, the Depositary may in its discretion make that conversion and distribution in Dollars to the extent practicable and permissible to the Owners entitled thereto and may distribute the balance of the foreign currency received by the Depositary to, or hold that balance uninvested and without liability for interest thereon for the account of, the Owners entitled thereto.

The Depositary may convert currency itself or through any of its affiliates and, in those cases, acts as principal for its own account and not as agent, advisor, broker or fiduciary on behalf of any other person and earns revenue, including, without limitation, transaction spreads, that it will retain for its own account. The revenue is based on, among other things, the difference between the exchange rate assigned to the currency conversion made under the Deposit Agreement and the rate that the Depositary or its affiliate receives when buying or selling foreign currency for its own account. The Depositary makes no representation that the exchange rate used or obtained in any currency conversion under the Deposit Agreement will be the most favorable rate that could be obtained at the time or that the method by which that rate will be determined will be the most favorable to Owners, subject to the Depositary's obligations under Section 5.3 of that Agreement. The methodology used to determine exchange rates used in currency conversions is available upon request.

15. RECORD DATES.

Whenever a cash dividend, cash distribution or any other distribution is made on Deposited Securities or rights to purchase Shares or other securities are issued with respect to Deposited Securities (which rights will be delivered to or exercised or sold on behalf of Owners in accordance with Section 4.4 of the Deposit Agreement) or the Depositary receives notice that a distribution or issuance of that kind will be made, or whenever the Depositary receives notice that a meeting of holders of Shares will be held in respect of which the Company has requested the Depositary to send a notice under Section 4.7 of the Deposit Agreement, or whenever the Depositary will assess a fee or charge against the Owners, or whenever the Depositary causes a change in the number of Shares that are represented by each American Depositary Share, or whenever the Depositary otherwise finds it necessary or convenient, the Depositary shall fix a record date, which shall be the same as, or as near as practicable to, any corresponding record date set by the Company with respect to Shares, (a) for the determination of the Owners (i) who shall be entitled to receive the benefit of that dividend or other distribution or those rights, (ii) who shall be entitled to give instructions for the exercise of voting rights at that meeting, (iii) who shall be responsible for that fee or charge or (iv) for any other purpose for which the record date was set, or (b) on or after which each American Depositary Share will represent the changed number of Shares. Subject to the provisions of Sections 4.1 through 4.5 of the Deposit Agreement and to the other terms and conditions of the Deposit Agreement, the Owners on a record date fixed by the Depositary shall be entitled to receive the amount distributable by the Depositary with respect to that dividend or other distribution or those rights or the net proceeds of sale thereof in proportion to the number of American Depositary Shares held by them respectively, to give voting instructions or to act in respect of the other matter for which that record date was fixed, or be responsible for that fee or charge, as the case may be.

16. VOTING OF DEPOSITED SHARES.

(a) Upon receipt of notice of any meeting of holders of Shares at which holders of Shares will be entitled to vote, if requested in writing by the Company, the Depositary shall, as soon as practicable thereafter, Disseminate to the Owners a notice, the form of which shall be in the sole discretion of the Depositary, that shall contain (i) the information contained in the notice of meeting received by the Depositary, (ii) a statement that the Owners as of the close of business on a specified record date will be entitled, subject to any applicable provision of Cayman Islands law and of the articles of association or similar documents of the Company, to instruct the Depositary as to the exercise of the voting rights pertaining to the amount of Shares represented by their respective American Depositary Shares, (iii) a statement as to the manner in which those instructions may be given and (iv) the last date on which the Depositary will accept instructions (the "Instruction Cutoff Date").

(b) Upon the written request of an Owner of American Depositary Shares, as of the date of the request or, if a record date was specified by the Depositary, as of that record date, received on or before any Instruction Cutoff Date established by the Depositary, the Depositary may, and if the Depositary sent a notice under the preceding paragraph shall, endeavor, in so far as practicable, to vote or cause to be voted the amount of deposited Shares represented by those American Depositary Shares in accordance with the instructions set forth in that request. The Depositary shall not vote or attempt to exercise the right to vote that attaches to the deposited Shares other than in accordance with instructions given by Owners and received by the Depositary.

(c) There can be no assurance that Owners generally or any Owner in particular will receive the notice described in paragraph (a) above in time to enable Owners to give instructions to the Depositary prior to the Instruction Cutoff Date.

(d) In order to give Owners a reasonable opportunity to instruct the Depositary as to the exercise of voting rights relating to Shares, if the Company will request the Depositary to Disseminate a notice under paragraph (a) above, the Company shall give the Depositary notice of the meeting, details concerning the matters to be voted upon and copies of materials to be made available to holders of Shares in connection with the meeting not less than 30 days prior to the meeting date.

17. TENDER AND EXCHANGE OFFERS; REDEMPTION, REPLACEMENT OR CANCELLATION OF DEPOSITED SECURITIES.

(a) The Depositary shall not tender any Deposited Securities in response to any voluntary cash tender offer, exchange offer or similar offer made to holders of Deposited Securities (a "Voluntary Offer"), except when instructed in writing to do so by an Owner surrendering American Depositary Shares and subject to any conditions or procedures the Depositary may require.

(b) If the Depositary receives a written notice that Deposited Securities have been redeemed for cash or otherwise purchased for cash in a transaction that is mandatory and binding on the Depositary as a holder of those Deposited Securities (a "Redemption"), the Depositary, at the expense of the Company, shall (i) if required, surrender Deposited Securities that have been redeemed to the issuer of those securities or its agent on the redemption date, (ii) Disseminate a notice to Owners (A) notifying them of that Redemption, (B) calling for surrender of a corresponding number of American Depositary Shares and (C) notifying them that the called American Depositary Shares have been converted into a right only to receive the money received by the Depositary upon that Redemption and those net proceeds shall be the Deposited Securities to which Owners of those converted American Depositary Shares shall be entitled upon surrenders of those American Depositary Shares in accordance with Section 2.5 or 6.2 of the Deposit Agreement and (iii) distribute the money received upon that Redemption to the Owners entitled to it upon surrender by them of called American Depositary Shares in accordance with Section 2.5 of that Agreement (and, for the avoidance of doubt, Owners shall not be entitled to receive that money under Section 4.1 of that Agreement). If the Redemption affects less than all the Deposited Securities, the Depositary shall call for surrender a corresponding portion of the outstanding American Depositary Shares and only those American Depositary Shares will automatically be converted into a right to receive the net proceeds of the Redemption. The Depositary shall allocate the American Depositary Shares converted under the preceding sentence among the Owners pro-rata to their respective holdings of American Depositary Shares immediately prior to the Redemption, except that the allocations may be adjusted so that no fraction of a converted American Depositary Share is allocated to any Owner. A Redemption of all or substantially all of the Deposited Securities shall be a Termination Option Event.

(c) If the Depositary is notified of or there occurs any change in nominal value or any subdivision, combination or any other reclassification of the Deposited Securities or any recapitalization, reorganization, sale of assets substantially as an entirety, merger or consolidation affecting the issuer of the Deposited Securities or to which it is a party that is mandatory and binding on the Depositary as a holder of Deposited Securities and, as a result, securities or other property have been or will be delivered in exchange, conversion, replacement or in lieu of, Deposited Securities (a "Replacement"), the Depositary shall, if required, surrender the old Deposited Securities affected by that Replacement of Shares and hold, as new Deposited Securities under the Deposit Agreement, the new securities or other property delivered to it in that Replacement. However, the Depositary may elect to sell those new Deposited Securities if in the opinion of the Depositary it is not lawful or not practical for it to hold those new Deposited Securities under the Deposit Agreement because those new Deposited Securities may not be distributed to Owners without registration under the Securities Act of 1933 or for any other reason, at public or private sale, at such places and on such terms as it deems proper and proceed as if those new Deposited Securities had been Redeemed under paragraph (b) above. A Replacement shall be a Termination Option Event.

(d) In the case of a Replacement where the new Deposited Securities will continue to be held under the Deposit Agreement, the Depositary may call for the surrender of outstanding Receipts to be exchanged for new Receipts specifically describing the new Deposited Securities and the number of those new Deposited Securities represented by each American Depositary Share. If the number of Shares represented by each American Depositary Share decreases as a result of a Replacement, the Depositary may call for surrender of the American Depositary Shares to be exchanged on a mandatory basis for a lesser number of American Depositary Shares and may sell American Depositary Shares to the extent necessary to avoid distributing fractions of American Depositary Shares in that exchange and distribute the net proceeds of that sale to the Owners entitled to them.

(e) If there are no Deposited Securities with respect to American Depositary Shares, including if the Deposited Securities are cancelled, or the Deposited Securities with respect to American Depositary Shares become apparently worthless, the Depositary may call for surrender of those American Depositary Shares or may cancel those American Depositary Shares, upon notice to Owners, and that condition shall be a Termination Option Event.

18. LIABILITY OF THE COMPANY AND DEPOSITARY.

Neither the Depositary nor the Company nor any of their respective directors, employees, agents or affiliates shall incur any liability to any Owner or Holder:

(i) if by reason of (A) any provision of any present or future law or regulation or other act of the government of the United States, any State of the United States or any other state or jurisdiction, or of any governmental or regulatory authority or stock exchange; (B) (in the case of the Depositary only) any provision, present or future, of the articles of association or similar document of the Company, or by reason of any provision of any securities issued or distributed by the Company, or any offering or distribution thereof; or (C) any event or circumstance, whether natural or caused by a person or persons, that is beyond the ability of the Depositary or the Company, as the case may be, to prevent or counteract by reasonable care or effort (including, but not limited to earthquakes, floods, severe storms, fires, explosions, war, terrorism, civil unrest, labor disputes or criminal acts; interruptions or malfunctions of utility services, Internet or other communications lines or systems; unauthorized access to or attacks on computer systems or websites; or other failures or malfunctions of computer hardware or software or other systems or equipment), the Depositary or the Company is, directly or indirectly, prevented from, forbidden to or delayed in, or could be subject to any civil or criminal penalty on account of doing or performing and therefore does not do or perform, any act or thing that, by the terms of the Deposit Agreement or the Deposited Securities, it is provided shall be done or performed;

(ii) for any exercise of, or failure to exercise, any discretion provided for in the Deposit Agreement (including any determination by the Depositary or the Company to take, or not take, any action that the Deposit Agreement provides the Depositary or the Company, as the case may be, may take);

(iii) for the inability of any Owner or Holder to benefit from any distribution, offering, right or other benefit that is made available to holders of Deposited Securities but is not, under the terms of the Deposit Agreement, made available to Owners or Holders; or

(iv) for any special, consequential or punitive damages for any breach of the terms of the Deposit Agreement.

Where, by the terms of a distribution to which Section 4.1, 4.2 or 4.3 of the Deposit Agreement applies, or an offering to which Section 4.4 of that Agreement applies, or for any other reason, that distribution or offering may not be made available to Owners, and the Depositary may not dispose of that distribution or offering on behalf of Owners and make the net proceeds available to Owners, then the Depositary shall not make that distribution or offering available to Owners, and shall allow any rights, if applicable, to lapse.

Neither the Company nor the Depositary assumes any obligation or shall be subject to any liability under the Deposit Agreement to Owners or Holders, except that they agree to perform their obligations specifically set forth in the Deposit Agreement without negligence or bad faith. The Depositary shall not be a fiduciary or have any fiduciary duty to Owners or Holders. The Depositary shall not be subject to any liability with respect to the validity or worth of the Deposited Securities. Neither the Depositary nor the Company shall be under any obligation to appear in, prosecute or defend any action, suit, or other proceeding in respect of any Deposited Securities or in respect of the American Depositary Shares, on behalf of any Owner or Holder or other person. Neither the Depositary nor the Company shall be liable for any action or non-action by it in reliance upon the advice of or information from legal counsel, accountants, any person presenting Shares for deposit, any Owner or Holder, or any other person believed by it in good faith to be competent to give such advice or information. Each of the Depositary and the Company may rely, and shall be protected in relying upon, any written notice, request, direction or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. 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 a 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 or bad faith while it acted as Depositary. The Depositary shall not be liable for the acts or omissions of any securities depository, clearing agency or settlement system in connection with or arising out of book-entry settlement of American Depositary Shares or Deposited Securities or otherwise. In the absence of bad faith on its part, the Depositary shall not be responsible for any failure to carry out any instructions to vote any of the Deposited Securities or for the manner in which any such vote is cast or the effect of any such vote. The Depositary shall have no duty to make any determination or provide any information as to the tax status of the Company. Neither the Depositary nor the Company shall have any liability for any tax consequences that may be incurred by Owners or Holders as a result of owning or holding American Depositary Shares. Neither the Depositary nor the Company shall be liable for the inability or failure of an Owner or Holder to obtain the benefit of a foreign tax credit, reduced rate of withholding or refund of amounts withheld in respect of tax or any other tax benefit. No disclaimer of liability under the United States federal securities laws is intended by any provision of the Deposit Agreement.

19. RESIGNATION AND REMOVAL OF THE DEPOSITARY; APPOINTMENT OF SUCCESSOR CUSTODIAN.

The Depositary may at any time resign as Depositary under the Deposit Agreement by written notice of its election so to do delivered to the Company, to become effective upon the appointment of a successor depositary and its acceptance of such appointment as provided in the Deposit Agreement. The Depositary may at any time be removed by the Company by 90 days' prior written notice of that removal, to become effective upon the later of (i) the 90th day after delivery of the notice to the Depositary and (ii) the appointment of a successor depositary and its acceptance of its appointment as provided in the Deposit Agreement. The Depositary in its discretion may at any time appoint a substitute or additional custodian or custodians.

20. AMENDMENT.

The form of the Receipts and any provisions of the Deposit Agreement may at any time and from time to time be amended by agreement between the Company and the Depositary without the consent of Owners or Holders in any respect which they may deem necessary or desirable. Any amendment that would impose or increase any fees or charges (other than taxes and other governmental charges, registration fees, cable (including SWIFT) or facsimile transmission costs, delivery costs or other such expenses), or that would otherwise prejudice any substantial existing right of Owners, shall, however, not become effective as to outstanding American Depositary Shares until the expiration of 30 days after notice of that amendment has been Disseminated to the Owners of outstanding American Depositary Shares. Every Owner and Holder, at the time any amendment so becomes effective, shall be deemed, by continuing to hold American Depositary Shares or any interest therein, to consent and agree to that amendment and to be bound by the Deposit Agreement as amended thereby. Upon the effectiveness of an amendment to the form of Receipt, including a change in the number of Shares represented by each American Depositary Share, the Depositary may call for surrender of Receipts to be replaced with new Receipts in the amended form or call for surrender of American Depositary Shares to effect that change of ratio. In no event shall any amendment impair the right of the Owner to surrender American Depositary Shares and receive delivery of the Deposited Securities represented thereby, except in order to comply with mandatory provisions of applicable law.

21. TERMINATION OF DEPOSIT AGREEMENT.

(a) The Company may initiate termination of the Deposit Agreement by notice to the Depositary. The Depositary may initiate termination of the Deposit Agreement if (i) at any time 60 days shall have expired after the Depositary delivered to the Company a written resignation notice and a successor depositary has not been appointed and accepted its appointment as provided in Section 5.4 of that Agreement or (ii) a Termination Option Event has occurred. If termination of the Deposit Agreement is initiated, the Depositary shall Disseminate a notice of termination to the Owners of all American Depositary Shares then outstanding setting a date for termination (the "Termination Date"), which shall be at least 90 days after the date of that notice, and the Deposit Agreement shall terminate on that Termination Date.

(b) After the Termination Date, the Company shall be discharged from all obligations under the Deposit Agreement except for its obligations to the Depositary under Sections 5.8 and 5.9 of that Agreement.

(c) At any time after the Termination Date, the Depositary may sell the Deposited Securities then held under the Deposit Agreement and may thereafter hold uninvested the net proceeds of any such sale, together with any other cash then held by it hereunder, unsegregated and without liability for interest, for the pro rata benefit of the Owners of American Depositary Shares that remain outstanding, and those Owners will be general creditors of the Depositary with respect to those net proceeds and that other cash. After making that sale, the Depositary shall be discharged from all obligations under the Deposit Agreement, except (i) to account for the net proceeds and other cash (after deducting, in each case, the fee of the Depositary for the surrender of American Depositary Shares, any expenses for the account of the Owner of such American Depositary Shares in accordance with the terms and conditions of the Deposit Agreement and any applicable taxes or governmental charges) and (ii) for its obligations under Section 5.8 of that Agreement and (iii) to act as provided in paragraph (d) below.

(d) After the Termination Date, if any American Depositary Shares remain outstanding, the Depositary shall continue to receive dividends and other distributions pertaining to Deposited Securities (that have not been sold), may sell rights and other property as provided in the Deposit Agreement and shall deliver Deposited Securities (or sale proceeds) upon surrender of American Depositary Shares (after payment or upon deduction, in each case, of the fee of the Depositary for the surrender of American Depositary Shares, any expenses for the account of the Owner of those American Depositary Shares in accordance with the terms and conditions of the Deposit Agreement and any applicable taxes or governmental charges). After the Termination Date, the Depositary shall not accept deposits of Shares or deliver American Depositary Shares. After the Termination Date, (i) the Depositary may refuse to accept surrenders of American Depositary Shares for the purpose of withdrawal of Deposited Securities (that have not been sold) or reverse previously accepted surrenders of that kind that have not settled if in its judgment the requested withdrawal would interfere with its efforts to sell the Deposited Securities, (ii) the Depositary will not be required to deliver cash proceeds of the sale of Deposited Securities until all Deposited Securities have been sold and (iii) the Depositary may discontinue the registration of transfers of American Depositary Shares and suspend the distribution of dividends and other distributions on Deposited Securities to the Owners and need not give any further notices or perform any further acts under the Deposit Agreement except as provided in Section 6.2 of that Agreement.

22. DTC DIRECT REGISTRATION SYSTEM AND PROFILE MODIFICATION SYSTEM.

(a) Notwithstanding the provisions of Section 2.4 of the Deposit Agreement, the parties acknowledge that DTC's Direct Registration System ("DRS") and Profile Modification System ("Profile") apply to the American Depositary Shares upon acceptance thereof to DRS by DTC. DRS is the system administered by DTC that facilitates interchange between registered holding of uncertificated securities and holding of security entitlements in those securities through DTC and a DTC participant. Profile is a required feature of DRS that allows a DTC participant, claiming to act on behalf of an Owner of American Depositary Shares, to direct the Depositary to register a transfer of those American Depositary Shares to DTC or its nominee and to deliver those American Depositary Shares to the DTC account of that DTC participant without receipt by the Depositary of prior authorization from the Owner to register that transfer.

(b) In connection with DRS/Profile, the parties acknowledge that the Depositary will not determine whether the DTC participant that is claiming to be acting on behalf of an Owner in requesting registration of transfer and delivery as described in paragraph (a) above has the actual authority to act on behalf of that Owner (notwithstanding any requirements under the Uniform Commercial Code). For the avoidance of doubt, the provisions of Sections 5.3 and 5.8 of the Deposit Agreement apply to the matters arising from the use of the DRS/Profile. The parties agree that the Depositary's reliance on and compliance with instructions received by the Depositary through the DRS/Profile system and otherwise in accordance with the Deposit Agreement, shall not constitute negligence or bad faith on the part of the Depositary.

23. ARBITRATION; SETTLEMENT OF DISPUTES.

Any controversy, claim or cause of action brought by any party hereto against the Company arising out of or relating to the Shares or other Deposited Securities, the American Depositary Shares, the Receipts or the Deposit Agreement, or the breach hereof or thereof, if so elected by the claimant, shall be settled by arbitration in accordance with the International Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

The place of the arbitration shall be The City of New York, State of New York, United States of America, and the language of the arbitration shall be English.

The number of arbitrators shall be three, each of whom shall be disinterested in the dispute or controversy, shall have no connection with any party thereto, and shall be an attorney experienced in international securities transactions. Each party shall appoint one arbitrator and the two arbitrators shall select a third arbitrator who shall serve as chairperson of the tribunal. If a dispute, controversy or cause of action shall involve more than two parties, the parties shall attempt to align themselves in two sides (i.e., claimant(s) and respondent(s)), each of which shall appoint one arbitrator as if there were only two parties to such dispute, controversy or cause of action. If such alignment and appointment shall not have occurred within thirty (30) calendar days after the initiating party serves the arbitration demand, the American Arbitration Association shall appoint the three arbitrators, each of whom shall have the qualifications described above. The parties and the American Arbitration Association may appoint from among the nationals of any country, whether or not a party is a national of that country.

The arbitral tribunal shall have no authority to award any consequential, special or punitive damages or other damages not measured by the prevailing party's actual damages and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of the Deposit Agreement.

24. APPOINTMENT OF AGENT FOR SERVICE OF PROCESS; SUBMISSION TO JURISDICTION; JURY TRIAL WAIVER; WAIVER OF IMMUNITIES.

The Company has (i) appointed Cogency Global Inc., located at 10 East 40th Street, 10th Floor, New York, NY 10016, as the Company's authorized agent in the United States upon which process may be served in any suit or proceeding (including any arbitration proceeding) arising out of or relating to the Shares or Deposited Securities, the American Depositary Shares, the Receipts or this Agreement, (ii) consented and submitted to the jurisdiction of any state or federal court in the State of New York in which any such suit or proceeding may be instituted, and (iii) agreed that service of process upon said authorized agent shall be deemed in every respect effective service of process upon the Company in any such suit or proceeding.

EACH PARTY TO THE DEPOSIT AGREEMENT (INCLUDING, FOR AVOIDANCE OF DOUBT, EACH OWNER AND HOLDER) THEREBY 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 COMPANY AND/OR THE DEPOSITARY DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THE SHARES OR OTHER DEPOSITED SECURITIES, THE AMERICAN DEPOSITARY SHARES OR THE RECEIPTS, THE DEPOSIT AGREEMENT OR ANY TRANSACTION CONTEMPLATED HEREIN OR THEREIN, OR THE BREACH HEREOF OR THEREOF, INCLUDING, WITHOUT LIMITATION, ANY QUESTION REGARDING EXISTENCE, VALIDITY OR TERMINATION (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

To the extent that the Company or any of its properties, assets or revenues may have or hereafter become entitled to, or have attributed to it, any right of immunity, on the grounds of sovereignty or otherwise, from any legal action, suit or proceeding, from the giving of any relief in any respect thereof, from setoff or counterclaim, from the jurisdiction of any court, from service of process, from attachment upon or prior to judgment, from attachment in aid of execution or judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of any judgment, in any jurisdiction in which proceedings may at any time be commenced, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with the Shares or Deposited Securities, the American Depositary Shares, the Receipts or the Deposit Agreement, the Company, to the fullest extent permitted by law, hereby irrevocably and unconditionally waives, and agrees not to plead or claim, any such immunity and consents to such relief and enforcement.

Exhibit 10.10

Q&K INTERNATIONAL GROUP LIMITED

SERIES C-1 PREFERRED SHARE SUBSCRIPTION AGREEMENT

March 16, 2018

SERIES C-1 PREFERRED SHARE SUBSCRIPTION AGREEMENT

THIS SERIES C-1 PREFERRED SHARE SUBSCRIPTION AGREEMENT (this "**Agreement**") is made and entered into as of March 16, 2018 by and among

1. Q&K International Group Limited, an exempted company incorporated under the laws of the Cayman Islands (the "**Company**"),

2. QK365.Com Inc., a BVI Business Company incorporated under the laws of BVI (the "**BVI Subsidiary**"),

3. QK365.Com Inc., a corporation incorporated under the Laws of the State of Delaware (the "**US Subsidiary I**"),

4. Jersey Standard Inc., a corporation incorporated under the Laws of the State of New Jersey (the "**US Subsidiary II**", collectively with the US Subsidiary I as the "**US Subsidiaries**"),

5. Qingke (China) Limited, a company limited by shares incorporated under the Hong Kong Laws (the "**HK Subsidiary**"),

6. Shanghai Qingke Electrics Commerce Co., Ltd.(□□□□□□□□□□□□□**),** a limited liability company established under the PRC Laws (the "**Domestic Company**"),

7. Q&K Investment Consulting Co., Ltd. (□□□□□□□□□□□□□**),** a limited liability company established under the PRC Laws (the "**WFOE**"),

8. each of the PRC Subsidiaries listed in Exhibit III attached hereto,

9. the individual and his respective holding company listed on Part I of Exhibit II attached hereto (the "**Founder**", such individual's holding company, the "**Holding Company**"), and

10. the investor listed on Part II of Exhibit II attached hereto (the "**Investor**").

The above parties are collectively referred to as the "**Parties**", and each, a "**Party**".

RECITALS

A. The Company is an exempted company incorporated under the laws of the Cayman Islands on August 14, 2014, with its registered address at the offices of Conyers Trust Company (Cayman) Limited at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. As of the date hereof, the Founder owns, indirectly through the Holding Company, 190,329,080 Ordinary Shares of the Company, representing approximately 19.70% of the issued share capital of the Company.

B. The BVI Subsidiary is a BVI business company incorporated under the laws of BVI on September 29, 2014, with its registered office at Start Chambers, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola, British Virgin Islands. As of the date hereof, the Company owns 100% of the outstanding shares of the BVI Subsidiary.

C. The US Subsidiary I is a corporation incorporated under the Laws of the State of Delaware on October 7, 2015, with its registered office at 3500 South Dupont Highway, City of Dover, Country of Kent, Delaware 19901. As of the date hereof, the Company owns 100% of the outstanding shares of the US Subsidiary I.

D. The US Subsidiary II is a corporation incorporated under the Laws of the State of New Jersey on November 10, 2017, with its registered office at 427 Cherry Hill Rd., Princeton, New Jersey 08540. As of the date hereof, the US Subsidiary I owns 100% of the outstanding shares of the US Subsidiary II.

E. The HK Subsidiary is a private company limited by shares incorporated under the Laws of Hong Kong on November 1, 2014, with its legal address at Flat/RMC, 21/F, Central, 88, 88 Des Voeux Road Central, Central, HK. As of the date hereof, the BVI Subsidiary owns 100% of the outstanding shares of the HK Subsidiary.

F. The Domestic Company is a limited liability company established under the PRC Laws on August 2, 2013, with its legal address at Zone A, 3rd Floor, Tower 1, No. 1288, Boxue Road, Malu Town, Jiading District, Shanghai, PRC (□□□□□□□□□□□□1288□1□□□A□). As of the date hereof, the Founder owns 74.53% of the outstanding Equity Securities of the Domestic Company, Xiamen Siyuan Investment and Management Co., Ltd. (□□□□□□□□□□□□) and XIAO Bin (□□) respectively owns 15% and 10.47% of the outstanding Equity Securities of the Domestic Company.

G. The WFOE is a wholly foreign-owned enterprise established under the PRC Laws on April 2, 2015 with its legal address at (Room C4, 2 Floor, No. 2 Building, No. 317 Meigui North Rd., China (Shanghai) Pilot Free Trade Zone, Shanghai, PRC (□□□□□□□□□□□□□□□□□□317□□□□□ C4□). As of the date hereof, the HK Subsidiary owns 100% of the Equity Securities of the WFOE. The WFOE has entered into a number of Control Documents with the Domestic Company and the Founder under which the WFOE controls the assets, business, financials, operation and management of the PRC Subsidiaries.

H. The Company proposes to issue, and the Investor proposes to subscribe from the Company an aggregate of 103,500,000 Series C-1 Shares pursuant to the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. DEFINITIONS

In this Agreement, unless the context otherwise requires, capitalized words and expressions have the meanings as set forth in Exhibit I attached hereto.

2. SUBSCRIPTION OF SHARES

Subject to the terms and conditions hereof, the Company hereby agrees to issue to the Investor, and the Investor hereby agrees to subscribe from the Company, at the Closing, such number of shares of the Series C-1 Shares (the "**Subscription Shares**") set forth opposite the Investor's name on Part II of Exhibit II attached hereto, representing approximately 9.55% of the Company's issued and outstanding shares (on a fully diluted and as-converted basis) immediately after the Closing, at the subscription price of US$0.29 per Series C-1 Share, amounting to an aggregate subscription price of US$30,000,000 (the "**Subscription Price**").

3. CLOSING; CLOSING DELIVERIES

3.1 Closing. The Closing shall take place through the remote exchange of documents prior to or on the tenth (10th) Business Day after the satisfaction or waiver of all the conditions to Closing set forth in Section 8 and Section 9, or at such other date, time and place as may be mutually agreed upon by the Company and the Investor.

3.2 Closing Account. Payment of the Subscription Price by the Investor to the Company shall be made by remittance of immediately available funds to a bank account of the Company acceptable to the Investor (the "**Closing Account**") on the Closing Date, such Closing Account to be notified by the Company to the Investor at least five (5) Business Days prior to the Closing Date. All bank charges and related expenses for remittance and receipt of funds shall be for the account of the Company.

3.3 Company Deliverables. At the Closing, in addition to any items the delivery of which is made an express condition to the Investor's obligations at the Closing pursuant to Section 8, the Company shall, and shall procure that the relevant Group Companies, deliver to the Investor:

3.3.1 an updated register of members of the Company, showing the Investor as the holder of the Subscription Shares, certified by the service provider of the Company,

3.3.2 an updated register of directors of the Company, showing the appointment of the directors as contemplated by Section 8.12 hereof, certified by the service provider of the Company,

3.3.3 a share certificate issued in the name of the Investor in respect of the Subscription Shares,

3.3.4 the duly executed board and shareholder resolutions of the Company approving (a) the entry by the Company of the Transaction Documents, (b) the transactions contemplated under the Transaction Documents, (c) the appointment of a person nominated by the Investor as a director of the Company (the "**Investor Director**"); (d) the adoption of the Restated Articles and (e) the issue of the Subscription Shares to the Investor, free and clear of all Liens,

3.3.5 the duly executed board and shareholder resolutions of each Party (other than the Company, the Investor and the Founder) approving (a) the entry by the relevant Party of the Transaction Documents and (b) the transactions contemplated under the Transaction Documents,

3.3.6 the Indemnification Agreement in respect of the Investor Director duly executed by the Company; and

3.3.7 all waivers of pre-emptive rights duly executed by all shareholders of the Company.

3.4 Founder Deliverables. At the Closing, in addition to any items the delivery of which is made an express condition to the Investor's obligations at the Closing pursuant to Section 8, the Founder shall, and shall procure that the relevant parties, deliver to the Investor the Non-compete Letter duly executed by the Founder substantially in the form set forth in Exhibit VII.

3.5 Investor Deliverables. At the Closing, in addition to any items the delivery of which is made an express condition to the Company's obligations at the Closing pursuant to Section 9, the Investor shall pay the Subscription Price set forth on Part II of Exhibit II attached hereto by wire transfer of immediately available US dollar funds into the Closing Account.

3.6 Efforts to Fulfill Closing Conditions. The Warrantors shall use best efforts to ensure that the conditions set forth in Section 8 will be satisfied by the Closing Date. The Investor shall use best efforts to ensure that the conditions set forth in Section 9 will be satisfied by the Closing Date.

4. VALUATION ADJUSTMENT MECHANISM

For the purposes of this Section 4:

Accounts:	means the audited or reviewed (as applicable) consolidated balance sheet, statement of income and statement of consolidated cash flow for such Financial Period prepared by the Company and audited or reviewed (as applicable) by the Auditor, together with the notes thereto, and (in the case of audited accounts) with an unqualified audit report thereon issued by the Auditor substantially to the effect that such financial statements give rise to a true and fair view of the financial position of the Company and its Subsidiaries.
Aggregate Actual EBITDA:	means the actual aggregate audited or reviewed (as applicable) EBITDA of the Company and its Subsidiaries on a consolidated basis for the Adjustment Period as set forth in the Accounts.
Actual EBITDA:	means the actual audited or reviewed (as applicable) EBITDA of the Company and its Subsidiaries on a consolidated basis for such Financial Period as set forth in the Accounts.
Adjustment Period:	means FY 2017, FY 2018 and FY 2019.
Adjusted Pre-Series C-1 Valuation:	means the Pre-Series C-1 Valuation of the Company as adjusted pursuant to Section 4.2.
Adjustment Shares:	means such number of Series C-1 Shares to be issued to the Investor pursuant to Section 4.2.
Auditor:	means the auditor of the Company, such auditor to be appointed by the Company with the prior written consent of the Investor, or the Replacement Auditor, as the case may be.
Cumulative EBITDA Target:	means the aggregate of the EBITDA Target for each Financial Period during the Adjustment Period.
EBITDA:	means the net profit of the Company and its Subsidiaries on a consolidated basis for such financial year,

	before: (a) any taxes based on income, profits or capital of the Company and its Subsidiaries on a consolidated basis; (b) any interest expense of the Company and its Subsidiaries on a consolidated basis; and (c) any depreciation and amortization expenses of the Company and its Subsidiaries on a consolidated basis, and excluding any items which are treated as exceptional or extraordinary, including but not limited to any non-recurring gains and losses of the Company and its Subsidiaries on a consolidated basis, such as any gains or losses in connection with any ESOP adopted by the Company and any costs relating to any financing events or an initial public offering of the Company. For the avoidance of doubt, the IFRS prior to January 1, 2019 shall consistently apply when determining the EBITDA. Specifically, IFRS 16 Leases, which will take effect on January 1, 2019, shall not be applicable or taken into consideration for the purpose of computing the EBITDA provided hereunder.
EBITDA Target:	means the EBITDA target of the Company and its Subsidiaries on a consolidated basis for the applicable Financial Period during the Adjustment Period as set out in Section 4.1.
Financial Period:	means each of FY 2017, FY 2018 and FY 2019, as applicable.
FY 2017:	means the period commencing on October 1, 2017 and ending on September 30, 2018.
FY 2018:	means the period commencing on October 1, 2018 and ending on September 30, 2019.
FY 2019:	means the period commencing on October 1, 2019 and ending on September 30, 2020.
IFRS:	means the International Financial Reporting Standards promulgated by the International Accounting Standards Board (IASB) (which includes standards and interpretations approved by the IASB and International Accounting Principles issued under previous constitutions) effective as of the date hereof, together with its pronouncements thereon from time to time, and applied on a consistent basis.
Pre-Series C-1 Valuation:	means the valuation of the Company as agreed between the Investor and the Company, being US$280,000,000.

4.1 Expected Performance.

(a) EBITDA guarantee. The Investor and the Company agree that the EBITDA Target for the Company for each Financial Period during the Adjustment Period shall be:

	FY 2017	FY 2018	FY 2019
EBITDA Target (in RMB)	175,000,000	400,000,000	700,000,000

(b) Cumulative EBITDA. The Investor and the Company agree that the Cumulative EBITDA Target for the Company shall be RMB1,275,000,000.

4.2 Adjustment.

(a) Adjustment conditions.

(i) The Company shall deliver to the Investor the Accounts for each Financial Period during the Adjustment Period, within four (4) months from the end of such Financial Period.

(ii) The Investor shall have the right to appoint an independent registered public accounting firm (the "**Replacement Auditor**"), at the sole cost and expense of the Company to prepare the Accounts for each Financial Period. The Company shall cooperate fully with the Auditor in the preparation of the Accounts, including providing full access to the books and records of the Group Companies and the provision of a management representation letter, in form and substance reasonably satisfactory to the Auditor, and any other information, records and documents as reasonably requested by the Auditor.

(iii) The Investor and the Company agree that the Pre-Series C-1 Valuation shall be adjusted in accordance with Sections 4.2(c) and (d) if the Cumulative EBITDA Target or the EBITDA Target for FY 2019 is not met and in accordance with Section 4.2(e) if the Cumulative EBITDA Target and the EBITDA Target to FY 2019 have been met, in each case, in the manner set forth in Sections 4.2(c) to (e) (as applicable).

(iv) Where the Pre-Series C-1 Valuation is adjusted pursuant to Sections 4.2(c) and (d), the Company shall issue, for a subscription price equal to the par value thereof, such number of Series C-1 Shares (the "**Adjustment Shares**") to the Investor as would give the Investor such an additional shareholding percentage of the total issued share capital of the Company immediately outstanding after Closing on an as-converted but non-diluted basis (for the avoidance of doubt, not including the Additional ESOP Shares and the Huarui Warrant Shares), such total number of Class A Ordinary Shares immediately outstanding after Closing on an as-converted but non-diluted basis being 1,069,500,000 Class A Ordinary Shares, after the issue of such Adjustment Shares as determined below:

$$\frac{\text{US\$30,000,000}}{\text{(Adjusted Series C-1 Valuation + US\$30,000,000)}} \% - 9.68\%$$

(v) Where the Pre-Series C-1 Valuation is adjusted pursuant to Section 4.2(e), the Investor shall transfer such number of Series C-1 Shares held by it (the "**Management Adjustment Shares**") to the managers of the Company (the "**Management**") as a management incentive for no consideration as would give the Management such an aggregate shareholding percentage of the total issued share capital of the Company immediately outstanding after Closing on an as-converted but non-diluted basis (for the avoidance of doubt, not including the Additional ESOP Shares and the Huarui Warrant Shares), such total number of Class A Ordinary Shares immediately outstanding after Closing on an as-converted but non-diluted basis being 1,069,500,000 Class A Ordinary Shares, after the transfer of such Management Adjustment Shares as determined below, provided that the Adjusted Pre-Series C-1 Valuation shall be US$360,000,000 if any adjustment to the Pre-Series C-1 Valuation pursuant to Section 4.2(e) would otherwise result in an Adjusted Pre-Series C-1 Valuation of more than US$360,000,000. Any such Management Adjustment Shares shall be automatically converted into Class A Ordinary Shares immediately upon transfer to the Management.

$$9.68\% - \frac{\text{US\$30,000,000}}{\text{(Adjusted Series C-1 Valuation + US\$30,000,000)}} \%$$

(vi) If the Investor exercises its right pursuant to Section 4.2(a)(ii), then the Accounts audited by the Replacement Auditor (including the Actual EBITDA and the Aggregate Actual EBITDA as reported in the Accounts audited by the Replacement Auditor) shall prevail and shall be used for the purposes of this Section 4.2, notwithstanding any Accounts audited or reviewed by the Auditor appointed by the Company (including the Actual EBITDA or the Aggregate Actual EBITDA as may have been reported in any Accounts prepared by the Auditor appointed by the Company).

(b) Completion.

(i) Completion of the issue to the Investor of any Adjustment Shares or the transfer of any Management Adjustment Shares to Management shall be held at the principal office of the Company at 11:00a.m. local time on the 30th day after the date on which the Accounts of the Company for FY 2019 is delivered to the Investor (or if that day is not a Business Day, the immediately following Business Day) or at such other time and place as the Company or Management (as the case may be) and the Investor may agree. The allocation of the Management Adjustment Shares to the Management shall be determined by the Board. The Company shall notify the Investor of such allocation in writing at least three (3) Business Days before the date of completion of the transfer of Management Adjustment Shares to Management.

(ii) At completion of the issue of any Adjustment Shares to the Investor pursuant to Section 4.2(a)(iv), the Company shall deliver to the Investor (1) the original share certificates in respect of the Adjustment Shares, (2) a certified true copy of the register of members of the Company reflecting the issue of the Adjustment Shares to the Investor, and (3) the board and shareholder resolutions authorizing the issue of the Adjustment Shares to the Investor.

(iii) At completion of the transfer of the Management Adjustment Shares by the Investor to the Management pursuant to Section 4.2(a)(v), the Investor shall deliver to Management (1) the original share certificate in relation to such Management Adjustment Shares, and (2) the instrument of transfer in relation to the transfer of such Management Adjustment Shares to the Management.

(c) Aggregate Actual EBITDA less than Cumulative EBITDA Target.

If the Company's Aggregate Actual EBITDA is less than the Cumulative EBITDA Target, the Pre-Series C-1 Valuation shall be adjusted as follows:

$$\text{Adjusted Pre-Series C-1 Valuation} = \frac{\text{Aggregate Actual EBITDA}}{\text{Cumulative EBITDA Target}} \text{ X } \text{Pre-Series C-1 Valuation}$$

(d) Actual EBITDA for FY 2019 less than EBITDA Target for FY2019.

If (i) the Company's Aggregate Actual EBITDA is not less than the Cumulative EBITDA Target but (ii) the Actual EBITDA for FY 2019 is less than the EBITDA Target for FY 2019, the Pre-Series C-1 Valuation shall be adjusted as follows:

$$\text{Adjusted Pre-Series C-1 Valuation} = \frac{\text{Actual EBITDA for FY 2019}}{\text{EBITDA Target for FY 2019}} \text{ X } \text{Pre-Series C-1 Valuation}$$

(e) Actual EBITDA for 2019 more than EBITDA Target for 2019.

If (i) the Company's Aggregate Actual EBITDA is more than the Cumulative EBITDA Target, and (ii) the Actual EBITDA for FY 2019 is more than the EBITDA Target for 2019, the Pre-Series C-1 Valuation shall be adjusted as follows, provided that the Adjusted Pre-Series C-1 Valuation shall be US$360,000,000 if any adjustment to the Pre-Series C-1 Valuation pursuant this sub-section would otherwise result in an Adjusted Pre-Series C-1 Valuation of more than US$360,000,000:

$$\text{Adjusted Pre-Series C-1 Valuation} = \frac{\text{Actual EBITDA for FY 2019}}{\text{EBITDA Target for FY 2019}} \text{ X } \text{Pre-Series C-1 Valuation}$$

5. REPRESENTATIONS AND WARRANTIES OF THE WARRANTORS

Each of the Warrantors, jointly and severally, hereby represents, warrants and undertakes to the Investor as of the date hereof and the Closing that each of the Warranties set out below is true, complete and accurate, and not misleading in all respects. Each of the Warrantors hereby acknowledges that the Investor is relying on the Warranties made by it or him in this Section 5 in entering into this Agreement. Each of the Warranties made by any Warrantor in this Section 5 shall be construed as a separate and independent Warranty and shall not be limited or restricted by reference to or inference from the terms of any other Warranty or any other term of this Agreement (except where expressly provided to the contrary). Disclosures contained in the Disclosure Schedule attached hereto as Exhibit VI, with specific reference to the paragraphs of this Agreement to which such disclosures are related to, shall be deemed to be exceptions to the Warranties only if such disclosures are fully, specifically and accurately stated therein.

5.1 Organization, Standing and Qualification. Each Group Company is duly organized or incorporated, validly existing and in good standing (or equivalent status in the relevant jurisdiction) under, and by virtue of, the Laws of the place of its incorporation or establishment and has all requisite power and authority to own its legally owned properties and assets and to carry on its business as now conducted and as proposed to be conducted, and to perform each of its obligations hereunder and under each of the other Transaction Documents to which it is a party. Each Group Company is qualified to do business and is in good standing (or equivalent status in the relevant jurisdiction) in each jurisdiction where it engages in any business.

5.2 Capitalization.

5.2.1 Company.

(a) Company Shares. Immediately prior to the Closing, the authorized share capital of the Company shall be US$50,000 divided into 5,000,000,000 shares of a par value of US$0.00001 each, comprising of (a) 2,500,000,000 Class A Ordinary Shares; (b) 1,000,000,000 Class B Ordinary Shares; and (c) 1,500,000,000 Preferred Shares comprising of (i) 255,549,510 Series A Shares, of which 131,617,560 are designated as Series A-1 Shares, 40,121,500 are designated as Series A-2 Shares, and 83,810,450 are designated as Series A-3 Shares; (ii) 160,000,000 Series B Shares; (iii) 120,000,000 Series C Shares; (iv) 103,500,000 Series C-1 Shares; and (v) 860,950,490 are undesignated, each with such rights, preferences and privileges set forth in the Restated Articles.

Immediately prior to the Closing, the issued share capital of the Company are as follows:

(i) 120,121,410 Class A Ordinary Shares are issued and outstanding;

(ii) 310,329,080 Class B Ordinary Shares are issued and outstanding; and

(iii) 535,549,510 Preferred Shares are issued and outstanding of which (x) 131,617,560 Series A-1 Shares are issued and outstanding, 40,121,500 Series A-2 Shares are issued and outstanding and 83,810,450 Series A-3 Shares are issued and outstanding; (y) 160,000,000 Series B Shares are issued and outstanding and (z) 120,000,000 Series C Shares are issued and outstanding.

(b) Company Options. There are no options, warrants, conversion privileges or other rights, or agreements with respect to the issuance thereof, presently outstanding to purchase any of the Equity Securities of the Company. Except as noted in this Section 5.2.1 above and the rights provided in the Shareholders Agreement, no shares of the Company's outstanding share capital, or shares issuable upon exercise or exchange of any outstanding options or other shares issuable by the Company, are subject to any preemptive rights, rights of first refusal or other rights to purchase such shares (whether in favor of the Company or any other Person).

5.2.2 BVI Subsidiary. The authorized share capital of the BVI Subsidiary is US$50,000, divided into 50,000 shares of US$1 each, 50,000 shares of which are duly issued and outstanding and held by the Company. There are no options, warrants, conversion privileges or other rights, or agreements with respect to the issuance thereof, presently outstanding to purchase any of the Equity Securities of the BVI Subsidiary. Except as set forth in its Constitutional Documents and provided by the applicable Laws, no outstanding Equity Securities of the BVI Subsidiary are subject to any preemptive rights, rights of first refusal or other rights to purchase such Equity Securities (whether in favor of the BVI Subsidiary or any other Person).

5.2.3 US Subsidiaries. The authorized share capital of the US Subsidiary I is US$0.05, divided into 5,000 shares of US$0.00001 each, 5,000 shares of which are duly issued and outstanding and held by the Company. The authorized share capital of the US Subsidiary II is US$1, divided into 1,000 shares of US$0.001 each, 1,000 shares of which are duly issued and outstanding and held by the US Subsidiary I. There are no options, warrants, conversion privileges or other rights, or agreements with respect to the issuance thereof, presently outstanding to purchase any of the Equity Securities of the US Subsidiaries. Except as set forth in its Constitutional Documents and provided by the applicable Laws, no outstanding Equity Securities of the US Subsidiaries are subject to any preemptive rights, rights of first refusal or other rights to purchase such Equity Securities (whether in favor of such US Subsidiaries or any other Person).

5.2.4 HK Subsidiary. The authorized share capital of the HK Subsidiary is HK$10,000, divided into 10,000 shares of HK$1 each, 10,000 shares of which are duly issued to and held by the BVI Subsidiary. There are no options, warrants, conversion privileges or other rights, or agreements with respect to the issuance thereof, presently outstanding to purchase any of the Equity Securities of the HK Subsidiary. Except as set forth in its Constitutional Documents and provided by the applicable Laws, no outstanding Equity Securities of the HK Subsidiary are subject to any preemptive rights, rights of first refusal or other rights to purchase such Equity Securities (whether in favor of the HK Subsidiary or any other Person).

5.2.5 PRC Subsidiaries. The registered capital of each of the PRC Subsidiaries has been fully paid up. There are no options, warrants, conversion privileges or other rights, or agreements with respect to the issuance thereof, presently outstanding to purchase any of the Equity Securities of the PRC Subsidiaries. Except as set forth in its Constitutional Documents and the Control Documents and Section 5.2.5 of the Disclosure Schedule, and provided by the applicable Laws, no outstanding Equity Securities of the PRC Subsidiaries are subject to any preemptive rights, rights of first refusal or other rights to purchase such Equity Securities (whether in favor of such PRC Subsidiaries or any other Person).

5.2.6 Outstanding Security Holders. A complete and current list of all outstanding ultimate or beneficial shareholders and any other holders of the Equity Securities of the Company as of the date hereof and immediately prior to the Closing is set forth in Section 5.2.6 of the Disclosure Schedule, indicating the type and number of Equity Securities held by each such holder. All outstanding share capital or registered capital of each Group Company has been duly and validly issued (or subscribed for), fully paid and non-assessable. Except as listed in Section 5.2.6 of the Disclosure Schedule, all share capital or registered capital of each Group Company is free and clear of any Lien (except for any restrictions on transfer under applicable Laws). No outstanding share, option, warrant, registered capital or other Equity Security of any Group Company was issued or subscribed to in violation of the preemptive rights of any Person, terms of any Contract or any applicable Law, including without being limited to applicable securities Laws and any exemption therefrom, by which each such Group Company at the time of issuance or subscription was bound. Except as contemplated hereunder, (i) there is no resolution pending to increase the share capital or registered capital of any Group Company; (ii) there is no outstanding Contract under which any Person purchases or otherwise acquires, or has the right to purchase or otherwise acquire, any interest in the share capital or registered capital of any Group Company; (iii) there is no dividend which has accrued or been declared but is unpaid by any Group Company; and (iv) there is no outstanding or authorized equity appreciation, phantom equity, equity plan or similar right with respect to any Group Company. Except as contemplated hereunder, no Group Company is a party or subject to any Contract that affects or relates to the voting or giving of written consents with respect to any of the Equity Securities of such Group Company.

5.3 Group Structure. Except for the BVI Subsidiary, the US Subsidiaries, the HK Subsidiary and the PRC Subsidiaries, the Company does not presently own or Control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, association, or other entity. None of the Group Companies has any Subsidiary, nor does any of them hold or Control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, association or other entity, or maintain any offices or branches other than the BVI Subsidiary, the US Subsidiaries, the HK Subsidiary and the PRC Subsidiaries. The capital and organizational structure of each PRC Subsidiary is valid and in full compliance with relevant PRC Laws.

5.4 Due Authorization. All actions on the part of each Warrantor and, as applicable, its respective officers, directors and shareholders necessary for (i) the authorization, execution and delivery of, and the performance of all of its obligations under the Transaction Documents, and (ii) the authorization, issuance, reservation for issuance and delivery of all of the Subscription Shares, the Conversion Shares and the Adjustment Shares have been taken or will be taken prior to the Closing. Each of the Warrantors has the requisite power, capacity and authority to enter into, execute and deliver each of the Transaction Documents to which it is a party, and to perform all the obligations to be performed by him/her or it hereunder and thereunder. Each of the Transaction Documents, when executed and delivered, will constitute valid and binding obligations of each Warrantor to the extent such Warrantor is a party to such Contract, enforceable against such Warrantor in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar Laws affecting creditors' rights generally and to general equitable principles.

5.5 Valid Issuance of the Subscription Shares. The Subscription Shares and the Adjustment Shares, when issued, sold, delivered and paid for in accordance with the terms of this Agreement, will be duly and validly issued, fully paid and non-assessable. All shares issuable upon conversion of the Subscription Shares and the Adjustment Shares will be duly and validly issued, fully paid and non-assessable. The issuance of the Subscription Shares, the Conversion Shares issued upon conversion of the Subscription Shares and the Adjustment Shares will be issued free and clear of any Liens, any consent rights, anti-dilution rights, rights of first refusal, preemptive rights and all similar rights in connection therewith other than as set out in the Restated Articles.

5.6 Liabilities. Except as disclosed in the Financial Statements, none of the Group Companies has any indebtedness for borrowed money that it has directly or indirectly created, incurred, assumed, or guaranteed, or with respect to which such Group Company has otherwise become directly or indirectly liable. Without limiting the generality of the above, there are no Liabilities imposed, or any obligations or commitments to impose any Liabilities, whether current or contingent, on the Company, the BVI Subsidiary, the US Subsidiaries or the HK Subsidiary, except for those Liabilities or obligations or commitments imposed solely by virtue of incorporation. None of the Group Companies is a guarantor or indemnitor of any indebtedness of any other Person.

5.7 Title to Properties and Assets.

5.7.1 Title. Each Group Company has good and marketable title to, or valid rights to use, all of its properties and assets that it purports to own (including as reflected in its balance sheets of the Financial Statements and in the list of assets to be transferred to the Group Companies attached to the Restructuring Plan and the Qingke Robot Assets Purchase Plan) or that it currently uses, or in the case of leased or subleased properties and assets, that it has valid and subsisting leasehold interests in (except for such assets as have been spent, sold or transferred in the ordinary course of business since the Balance Sheet Date), free and clear of any and all Liens of any party. All amounts due and payable by each Group Company under the Assets Purchase Plan have been paid in full and use of such properties and assets have been in compliance with applicable Laws, orders of Governmental Authorities, or Contracts. The applicable Group Company is in possession of the whole of such properties and assets and no Person is in, or otherwise entitled to, occupation or use thereof. All such properties and assets have the benefit of such rights and easements as are necessary for the existing use thereof by the applicable Group Company. Such properties and assets collectively represent in all respects all properties and assets necessary for the conduct of the business of the Group Companies as presently conducted and proposed to be conducted, and have been properly maintained and are in good working condition. Each Group Company is in compliance with all the leases with respect to the property and assets it leases in all material respects.

5.7.2 Dispute and Defects. There is no outstanding notice or dispute involving any Group Company as to the use of any such properties which would, if implemented or enforced, have a Material Adverse Effect on the business of the applicable Group Company carried out at such properties. There is no outstanding notice or dispute as to any contravention of land zoning or planning legislation or regulations that are currently in effect or any alleged breach of such legislation or regulations in relation to any property of the Group Companies which would, if implemented or enforced, have a Material Adverse Effect on the business of the applicable Group Company carried out at such properties. There are no material defects on such properties and assets and there are no circumstances known to the Warrantors that are likely to lead to such defects which would have a Material Adverse Effect on the business of Group Companies carried out at such properties.

5.8 Status of Proprietary Assets.

5.8.1 Ownership of Proprietary Assets. Each of the Group Companies owns all right, title and interest in and to, free and clear of all Liens, or has all necessary and valid rights to use, all of the Proprietary Assets, and no item of Proprietary Assets is subject to any outstanding injunction, judgment, order, decree, ruling or charge. Each of the Proprietary Assets is valid, enforceable, and subsisting, in full force and effect, and has not been cancelled, expired or abandoned. None of the Warrantors is aware of any notice, claim or assertion that any item of Proprietary Assets is invalid and is aware of any actual, threatened or pending claim, action, opposition, re-examination, interference or cancellation proceeding with respect thereto. Section 5.8.1 of the Disclosure Schedule sets forth a complete and accurate list of each item of Proprietary Assets, including without limitation the Proprietary Assets owned by each Group Company which is a patent, patent application, registered trademark or service mark (or applications and renewals thereof), material unregistered trademark or service mark (including domain name registrations), trade name, domain name, registered copyright (or applications and renewals thereof), material unregistered copyright and Software.

5.8.2 Use of Proprietary Assets. The Group Companies have not interfered with, infringed upon, misappropriated or violated any rights of third parties to the Proprietary Assets due to its use of Proprietary Assets, and the Group Companies have not received any charge, complaint, claim, demand or notice alleging any such interference, infringement, misappropriation or violation, nor is any Warrantor aware of any reasonable basis therefor. No third party has interfered with, infringed upon, misappropriated or violated any rights of the Group Companies to any of the Proprietary Assets. There are no outstanding options, licenses or agreements of any kind granted by any Group Company relating to the Proprietary Assets owned by any Group Company, and such Group Company is not bound by or a party to any options, licenses or agreements of any kind with respect to the Proprietary Assets owned by any other Person, except for standard end-user agreements with respect to commercially available Proprietary Assets such as “off the shelf” computer Software. Each Group Company has used best efforts to protect its title and ownership in the Proprietary Assets owned by such Group Company and the confidentiality of its trade secrets. To the Warrantors’ best Knowledge, there has been no material disclosure of any trade secrets of any Group Company by any Person. None of the Group Companies has utilized, or is reasonably likely to utilize, any Proprietary Assets belonging to any other Person, including, without limitation, any of the former employers of any Founder or Key Employee.

5.8.3 Work Products Owned by Group Companies. Each employee who has contributed to or participated in the conception and development of the Proprietary Assets on behalf of such Group Company with respect to the business of such Group Company, either (i) has been a party to a "work-for-hire" arrangement or similar agreement with such Group Company, in accordance with applicable Laws, that has accorded such Group Company full, effective, exclusive, and original ownership of all tangible and intangible property and related rights thereby arising, or (ii) has executed appropriate instruments of assignment in favor of such Group Company that has conveyed to such Group Company full, effective, and exclusive ownership of all tangible and intangible property and related rights thereby arising.

5.8.4 Employees' Invention. None of the Warrantors is aware that any Key Employee of the Group Companies is obligated under any agreement or contract (including licenses, covenants or commitments of any nature) or instrument, or subject to any judgment, decree or order of any court or governmental agency or instrumentality, that would interfere with the use of his best efforts to promote the interests of such Group Company or that would conflict with the business as currently conducted or as proposed to be conducted by such Group Company, or that would prevent such Key Employee from assigning to such Group Company all Proprietary Assets conceived, developed or reduced to practice in connection with services rendered to such Group Company. Neither the execution nor delivery of any Transaction Document, nor the carrying on of the business as currently conducted or as proposed to be conducted by any Group Company, will, to the Warrantors' best Knowledge, conflict with or result in a breach of the terms, conditions or provisions of, or constitute a violation or default under, any such Contract, judgment, decree or order under which any Key Employee is currently obligated. None of the Group Companies believes it is or will be necessary to utilize any inventions of any of its officers or employees (or people it currently intends to hire) made prior to or outside the scope of their employment by such Group Company.

5.8.5 Ownership of Proprietary Assets by Founder. Neither the Founder nor any of his Affiliates (other than the Group Companies) owns any Proprietary Asset which is required or is necessary for the Principal Business of the Group Companies.

5.9 Material Contracts and Obligations.

5.9.1 Definition. For purpose of this Agreement, "**Material Contracts**" means all Contracts (oral or written) that any Group Company is a party to or is bound by, and that:

(a) have an aggregate value, cost or amount, or impose Liability or contingent Liability on any Group Company, in excess of US$300,000;

(b) are not terminable upon thirty (30)-day notice without incurring any penalty or obligation or the termination of which would be reasonably likely to have a Material Adverse Effect;

(c) are not readily to be fulfilled or performed by a Group Company on time or without undue or unusual expenditure of money or efforts or a Group Company does not have the technical and other capabilities or the human and material resources to enable it to fulfill, perform and discharge all its outstanding obligations in the ordinary course of business without realizing a loss on closing of performance;

(d) are material to the conduct and operations of a Group Company's business and properties;

(e) are entered into with any Interested Party, except as disclosed in Section 5.19 of the Disclosure Schedule;

(f) relate to the sale, issuance, grant, exercise, award, purchase, repurchase or redemption of any Equity Securities;

(g) are the five (5) largest Contracts in value in the financial year ended 2017 entered into with a material customer or material supplier of a Group Company or with a Governmental Authority;

(h) involve indebtedness, an extension of credit, a guaranty or assumption of any obligation, or the grant of a Lien;

(i) involve the acquisition or sale of a business, a merger, consolidation, amalgamation, a partnership, joint venture, or similar arrangement, except for the transactions in connection with the Restructuring Plan or the Qingke Robot Assets Purchase Plan;

(j) involve the transfer or license of any Proprietary Asset to or from a Group Company (other than licenses granted from commercially readily available "off the shelf" computer Software), or obligate a Group Company to share or develop any Proprietary Asset with any third party;

(k) contain change in Control, exclusivity, non-competition or similar clauses that may be reasonably expected to impair, restrict or impose conditions on a Group Company's right to offer or sell products or services in specified areas, during specified periods or otherwise;

(l) are entered into by a Group Company with any financial, legal, and other advisors or consultants; or

(m) are otherwise substantially depended on by a Group Company, or are not in the ordinary course of business of a Group Company.

5.9.2 Compliance. All Material Contracts disclosed in Section 5.9 of the Disclosure Schedule are entered into by the applicable Group Company with the relevant contracting parties in writing and have been made available for inspection by the Investor and its counsel. Each Material Contract is a valid, binding and enforceable agreement of the parties thereto, the performance of which does not violate any applicable Law, and is in full force and effect, and the terms thereof have been complied with by the relevant Group Companies and, to the best Knowledge of each Warrantor, by all the other parties thereto. There are no circumstances that are likely to give rise to any breach of such terms, and there are no grounds for rescission, avoidance or repudiation of any of the Material Contracts. No notices of violation, default, termination or intention to terminate (whether or not such notice is in writing) have been received in respect of any Material Contract.

5.10 Litigation.

5.10.1 General. There is no Action pending or, to the best Knowledge of each Warrantor, threatened, against any Group Company or the business of the Group Companies, and each Warrantor is not aware of any event or circumstance that may form a basis for any such Action. The foregoing includes, without limitation, Actions pending or threatened against the Group Companies or the business of the Group Companies (or any basis therefor known to the Warrantors) involving the prior employment of the Founder or any of the Group Company's employees, their use in connection with the business of the Group Companies of any information or techniques allegedly proprietary to any of their former employers, or their obligations under any agreements with former employers. None of the Group Companies is a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or Governmental Authority. There is no Action by the Group Companies that is currently pending or that any Group Company intends to initiate.

5.10.2 Action Relating to this Agreement. There is no Action pending or, to the best Knowledge of the Warrantors, threatened, that questions the validity of any Transaction Document, or the right of any Group Company to enter into such agreements, or to consummate the transactions contemplated hereby or thereby or that could, individually or in the aggregate, result in a Material Adverse Effect or a change in the current equity ownership of any Group Company.

5.11 Compliance with Laws; Consents and Permits.

5.11.1 General Compliance. Except as set forth in Section 5.16 of the Disclosure Schedule, the Holding Company and each Group Company has been conducting its business activities within its permitted scope of business, and is operating its business in compliance with applicable Laws in all material respects. All Approvals from any Governmental Authority and any third party which are required to be obtained or made by each Warrantor under applicable Laws in connection with the due and proper establishment of the Holding Company and each Group Company and the conduct of the business or the consummation of the transactions contemplated under the Transaction Documents, the absence of which would be reasonably likely to have a Material Adverse Effect, have been obtained or completed in accordance with the relevant Laws, are not in default, and are in full force and effect. None of the Holding Company or the Group Companies is in receipt of any letter or notice from any Governmental Authority notifying revocation of any permits or licenses issued to it for non-compliance or the need for compliance or remedial actions in respect of the activities carried out directly or indirectly by it. In respect of Approvals, licenses or permits required for the conduct of any part of the business of the Group Companies which are subject to periodic renewal, none of the Warrantors or the Holding Company has any reason to believe that such requisite renewals will not be timely granted by the relevant Governmental Authorities.

5.11.2 Compliance with PRC Laws. All Approvals from any PRC Governmental Authority and any third party which are required to be obtained or made by each Warrantor under applicable PRC Laws in connection with (i) the due and proper establishment of the PRC Subsidiaries and the conduct of its business, (ii) the consummation of the transactions contemplated hereunder or under the other Transaction Documents, including but not limited to the Approvals by and with the National Development and Reform Commission, the Ministry of Commerce, the State Administration for Industry and Commerce, the SAFE, tax authorities, customs authorities, environment authorities, and product registration authorities, have been obtained or completed in accordance with the relevant PRC Laws, not in default, and are in full force and effect and there exist no grounds on which any such Approval may be cancelled or revoked or any PRC Subsidiary or its legal representative may be subject to Liability or penalties for misrepresentations or failures to disclose information to the issuing PRC Governmental Authorities.

5.11.3 SAFE. The Founder and any other Person who is required to comply with the SAFE Rules and Regulations has completed registration with SAFE with respect to their direct or indirect holding of Equity Securities in the Company, the BVI Subsidiary, the US Subsidiaries and the HK Subsidiary since their respective incorporation in accordance with the SAFE Rules and Regulations and such Founder or other Person has not received any oral or written inquiries, notifications, orders or any other forms of official correspondence from SAFE with respect to any actual or alleged non-compliance with the SAFE Rules and Regulations. Each of the Holding Company and the Group Companies has fully complied with the SAFE Rules and Regulations in all material aspects and neither the Holding Company nor any Group Company has received any oral or written inquiries, notifications, orders or any other forms of official correspondence from SAFE with respect to any actual or alleged non-compliance with the SAFE Rules and Regulations.

5.11.4 Securities Act Compliance. Based in part on the representations of the Investor set forth in Section 6 below, the offer, sale and issuance of the Subscription Shares in conformity with the terms of this Agreement are exempt from the registration and qualification requirements of all applicable securities Laws, including the Securities Act, and the issuance of Ordinary Shares upon conversion of the Series A Shares, Series B Shares, Series C Shares and Series C-1 Shares in accordance with the Restated Articles and the issue of the Adjustment Shares will be exempted from such registration or qualification requirements.

5.11.5 Anti-Corruption Laws Compliance. Each Warrantor has not, and to the best Knowledge of each Warrantor, no director, officer, employee, agent or representative of the Holding Company or any Group Company has, taken any action in furtherance of an offer, payment, promise to pay, or authorization or Approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any person to improperly influence official action by that person for the benefit of the Holding Company or any Group Company, or to otherwise secure an improper business advantage for the Holding Company or any Group Company; and each of the Holding Company and the Group Companies has conducted its businesses in compliance with applicable Anti-Corruption Laws and has instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

5.11.6 Anti-Money Laundering Compliance. The operations of the Holding Company and each Group Company have been conducted at all times in material compliance with all applicable financial recordkeeping and reporting requirements and the applicable anti-money laundering Laws of jurisdictions where the business of the Holding Company and each Group Company is conducted respectively, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority (collectively, the "**Anti-Money Laundering Laws**"), and there is no action, suit or proceeding by or before any court or Governmental Authority involving the Holding Company or any Group Company with respect to the Anti-Money Laundering Laws which is pending or, to the best Knowledge of each Warrantor, threatened.

5.11.7 No Sanctions.

(a) Neither the Holding Company nor the Group Company is, and to the best Knowledge of each Warrantor, no director, officer, or employee, agent, affiliate or representative of the Holding Company or any Group Company is, a Person that is, or is owned or controlled by a Person that is:

1. the subject of any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control ("**OFAC**") , the United Nations Security Council ("**UNSC**"), the European Union ("**EU**"), Her Majesty's Treasury ("**HMT**"), or other relevant sanctions authority (collectively, "**Sanctions**"); or

2. located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, the Crimea region of the Ukraine, Cuba, Iran, North Korea and Syria).

(b) Each Warrantor has not, directly or indirectly, used the proceeds of the offering, or lent, contributed or otherwise made available such proceeds to any Subsidiary, joint venture partner or other Person:

1. to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions; or

2. in any other manner that will result in a violation of Sanctions by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise).

(c) for the past 5 years, each of the Holding Company and the Group Companies has not been or has not knowingly been engaged in any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions.

5.12 Compliance with Other Instruments and Agreements. The Constitutional Documents of each Group Company are valid and have been duly approved or issued (as applicable) by competent Governmental Authorities in the jurisdiction where such Group Company is incorporated. None of the Group Companies is in nor shall the business as currently conducted or proposed to be conducted result in violation, breach or default of any term or provision of the Constitutional Documents, or of any term or provision of any Contract to which such Group Company is a party or by which it may be bound, or of any provision of any Law applicable to or binding upon such Group Company. None of the activities, Contracts or rights of any Group Company is ultra vires or unauthorized. The execution, delivery and performance of and compliance with this Agreement and any other Transaction Document and the consummation of the transactions contemplated hereby and thereby will not result in any such violation, breach or default, or be in conflict with or constitute, with or without the passage of time or the giving of notice or both, either a default under any Group Company's Constitutional Documents or any Contract to which such Group Company is a party or by which it may be bound or a violation of any Law or an event which results in the creation of any Lien upon any Equity Security or asset of any Group Company.

5.13 Disclosure. Each Warrantor has fully provided the Investor with all information necessary or desirable for the Investor to decide whether to subscribe for the Subscription Shares and all information that such Warrantor believes to be reasonably necessary to enable such Investor to make such decision. No information or materials provided by any of the Warrantors to the Investor in connection with the transactions contemplated under the Transaction Documents and negotiation or execution of the Transaction Documents contains any untrue statement of a material fact, or omits to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they are made, not misleading.

5.14 Registration Rights. Except as provided in the Transaction Documents, no Group Company has granted or agreed to grant any Person any registration rights (including piggyback registration rights) with respect to, nor is any Group Company obliged to list, any Group Company's Equity Securities on any securities exchange. Except as contemplated under this Agreement or the Shareholders Agreement, there are no voting or similar agreements which relate to any Group Company's Equity Securities.

5.15 Insurance. Each Group Company has obtained and maintains the insurance coverage of the same types and at the same coverage levels as other similarly situated companies in the same industry in which such Group Company operates its business or possesses its properties and assets, in accordance with its best commercial practices. To the best Knowledge of each Warrantor, nothing has been done or omitted to be done by or on behalf of any Group Company which would make any policy of insurance void or voidable or enable the insurers to avoid the same and there is no claim outstanding under any such policy and, to the best Knowledge of each Warrantor, there are no facts or circumstances likely to give rise to such claim or result in an increased rate of premium. All information furnished in obtaining or renewing the insurance policies of each Group Company was correct, full and accurate when given and any change in that information required to be given was correctly given. No Group Company is in default under any of these policies. No Group Company has suffered any uninsured losses or waived any rights of material or substantial value or allowed any insurance to lapse. No claim under any policy of insurance taken out in connection with the business or assets of any Group Company is outstanding and, to the best Knowledge of each Warrantor, there are no facts or circumstances likely to give rise to such a claim.

5.16 Financial Statements. The Group Companies have delivered to the Investor a true and complete copy of the Financial Statements and such Financial Statements provide a true and fair view of the financial position of the Group Companies. Except as set forth in Section 5.16 of the Disclosure Schedule, such Financial Statements (i) have been prepared in accordance with the books and records of each Group Company, (ii) are true, correct and complete and present fairly the financial condition of such Group Company at the date or dates therein indicated and the results of operations for the period or periods therein specified, and (iii) have been prepared in accordance with PRC GAAP, applied on a consistent basis, except as to the unaudited consolidated Financial Statements, for the omission of notes thereto and normal year-end audit adjustments. Specifically, but not by way of limitation, the balance sheets included in the Financial Statements disclose all of each Group Company's debts, Liabilities and obligations of any nature, whether due or to become due, as of their respective dates (including, without limitation, absolute Liabilities, accrued Liabilities, and contingent Liabilities) to the extent such debts, Liabilities and obligations are required to be disclosed on a balance sheet in accordance with PRC GAAP, other than current Liabilities that were incurred after the Balance Sheet Date in the ordinary course of business consistent with its past practices that are not material in the aggregate. All revenues, costs and other expenses as reflected in the Financial Statements are truly, correctly and appropriately recorded and recognized in accordance with PRC GAAP. All revenues are derived from transactions entered into by the Group Companies with Persons that are not Interested Parties on arm's length terms. Each Group Company maintains and will continue to maintain a standard system of accounting established and administered in accordance with PRC GAAP.

5.17 Activities since Balance Sheet Date. Since the Balance Sheet Date, with respect to each Group Company there has not been:

5.17.1 any change in the assets, Liabilities, financial condition or operating results of such Group Company from that reflected in the Financial Statements, except changes in the ordinary course of business of such Group Company that have not been adverse to such Group Company;

5.17.2 any change in the contingent obligations of such Group Company by way of guarantee, endorsement, indemnity, warranty or otherwise;

5.17.3 any damage, destruction or loss, whether or not covered by insurance, adversely affecting the assets, properties, financial condition, operating results, prospects or business of such Group Company (as presently conducted and as proposed to be conducted);

5.17.4 any waiver by such Group Company or the Founder of a valuable right or of any debt;

5.17.5 any satisfaction or discharge of any Lien or payment of any obligation by such Group Company, except such satisfaction, discharge or payment made in the ordinary course of business of such Group Company that do not constitute or result in, the aggregate, a Material Adverse Effect;

5.17.6 any material change or amendment to a Material Contract or arrangement which such Group Company or any of its assets or properties is bound by or subject to, except for changes or amendments which are expressly provided for or disclosed in this Agreement;

5.17.7 any change in any compensation arrangement or agreement with any Key Employee;

5.17.8 any sale, assignment or transfer of any Proprietary Assets or other intangible assets of such Group Company;

5.17.9 any resignation or termination of employment with any Key Employee;

5.17.10 any mortgage, pledge, transfer of a security interest in, or Lien created by any Warrantor, with respect to any of such Group Company's properties or assets, except for Liens for Taxes not yet due or payable;

5.17.11 any debt, obligation, or Liability incurred, assumed or guaranteed by such Group Company not in the ordinary course of business and with a sum of more than RMB1,000,000;

5.17.12 any declaration, setting aside or payment or other distribution in respect of any of such Group Company's Equity Securities, or any direct or indirect redemption, purchase or other acquisition of any of such Equity Securities by such Group Company;

5.17.13 any failure to conduct business in the ordinary course of business;

5.17.14 any transactions with any Interested Party except as disclosed in Section 5.19 of the Disclosure Schedule;

5.17.15 any other event or condition of any character which could reasonably be expected to constitute or result in a Material Adverse Effect; or

5.17.16 any agreement or commitment by any Warrantor to do any of the things described in this Section 5.17.

5.18 Tax Matters.

5.18.1 Except as set forth in Section 5.18 of the Disclosure Schedule, all Tax Returns have been made, given or kept within the requisite periods and on a proper basis in accordance with all applicable laws, regulations and interpretations and are up-to-date and accurate, complete and correct in all material respects; and none of them is, or, to the best Knowledge of each Warrantor, is likely to be, the subject of any dispute with any taxation authority.

5.18.2 Each Group Company has paid all Taxes which it has become liable to pay and is under no obligation or Liability to pay any penalty or interest in connection with any claim for taxation.

5.18.3 Each Group Company is in possession of sufficient information to enable it to compute its Tax Liability insofar as it depends on any transaction occurring on or before the Closing.

5.18.4 Without prejudice to any Tax obligation or Liability which may arise under this Agreement or in connection with the transactions contemplated hereunder, there is no Tax Liability in respect of which a claim for any Tax against any Group Company could be made under any Transaction Documents and there are no circumstances which could reasonably be expected to give rise to such obligation or Liability.

5.18.5 There are no matters relating to Taxes in respect of which each Group Company (either alone or jointly with any other Person) has, or at the Closing will have, an outstanding entitlement to make:

(a) any claim (including a supplementary claim) for Relief;

(b) any election, including an election for one type of Relief, or one basis, system or method of Taxation, as opposed to another any appeal or further appeal against an assessment to taxation;

(c) any application for the postponement of, or payment by installments of, any Tax or to disclaim or require the postponement of any allowance or Relief; or

(d) any court proceedings which may be made or taken by any Group Company within the appropriate time limit after the Closing.

5.18.6 No Relief (whether by way of deduction, reduction, set-off, exemption, postponement, roll-over, hold-over, repayment or allowance or otherwise) from, against or in respect of any Tax has been claimed and/or given to any Group Company which could or might be effectively withdrawn, postponed, restricted, clawed back or otherwise lost as a result of any act, omission, event or circumstance arising or occurring at or at any time after the Closing.

5.18.7 No Group Company has, since the Balance Sheet Date, taken any action which has had, or will have, the result of altering, prejudicing or in any way disturbing any arrangement or agreement which it has previously had with any Tax authority.

5.18.8 Since the Balance Sheet Date, none of the Group Companies has incurred any Taxes, assessments or governmental charges other than in the ordinary course of business and each Group Company has made adequate provisions on its books of account for all Taxes, assessments and governmental charges with respect to its business, properties and operations for such period, including any and all Taxes (whether or not shown on any Tax Return) that have accrued but are not yet due or payable as of the applicable date stated in the Financial Statements.

5.18.9 None of the Group Companies has ever claimed or been adjudged to be resident in the US (either under the terms of an applicable tax treaty or under the US tax Laws which consider whether a person has a closer connection to a jurisdiction other than the US for tax purposes). This warranty is given in relation to each natural person who is an ultimate beneficial owner or beneficiary of the Warrantors and each of the Warrantors warrants that it is not itself, nor is it beneficially owned by, an entity created or organized in or under the laws of the US or an estate or trust that is treated as a US Person.

5.18.10 No Group Company is, has ever been, nor will become, as a result of the transactions contemplated herein, a "controlled foreign corporation" ("**CFC**"), as defined in section 957 of the Code, or a "passive foreign investment company", as defined in section 1297 of the Code ("**PFIC**"). Each Group Company is treated as a corporation for US federal income tax purposes. Each Group Company does not anticipate that it will become a PFIC or CFC for the current taxable year or any future taxable year.

5.18.11 There has not been any inappropriate or incorrect recognition of revenues or expenses that could result in a Tax Liability for any Group Company.

5.18.12 Each Group Company has maintained proper and accurate documentation and records to support and provide evidence that all transactions entered into by the Group Companies are on arm's length terms and to defend any claim by a Governmental Authority that any Group Company has engaged in transfer pricing practices.

5.19 Interested Party Transactions. Except as disclosed in Section 5.19 of the Disclosure Schedule, none of the Interested Parties is directly or indirectly interested in any transaction entered into by a Group Company, nor has any of them had, either directly or indirectly, a material interest in (i) any Person which purchases from or sells, licenses, furnishes, or provide to a Group Company any goods, property, intellectual or other property rights or services; or (ii) any Person that competes with a Group Company. None of the Interested Parties is indebted to any Group Company nor is any Group Company indebted (or committed to make loans or extend or guarantee credit) to any Interested Party (other than for accrued salaries, reimbursable expenses or other standard employee benefits). Any transaction between any Group Company and any Interested Party or among any Interested Parties is at a fair market price on an arm's length basis.

5.20 Restructuring. Other than as specifically set out in this Agreement, each of the Group Companies has completed the Restructuring in accordance with the Restructuring Plan, and all Approvals necessary for the Restructuring have been obtained.

5.21 Employee Matters.

5.21.1 General. Except as set forth in Section 5.21 of the Disclosure Schedule, each Group Company (i) is in compliance in all material aspects with all applicable Laws respecting employment, employment practices and terms and conditions of employment, including without limitation the applicable PRC Laws pertaining to welfare funds, social benefits, medical benefits, insurance, retirement benefits and pensions; (ii) has withheld and reported all amounts required by any applicable Law or any Contract to be withheld and reported with respect to wages, salaries and other payments to employees; (iii) is not liable for any arrear of wages, Tax or penalty for failure to comply with any of the foregoing; and (iv) other than as required by applicable Laws, is not liable for any payment to any trust or fund governed by or maintained by or on behalf of any Governmental Authority with respect to unemployment compensation benefits, social security or other benefits or obligations for employees. There are no pending or, to the Group Company's best Knowledge, threatened or reasonably anticipated Actions against any Group Company under any worker's compensation policy or long-term disability policy. No Group Company has direct or indirect Liability with respect to any misclassification of any Person as an independent contractor rather than as an employee.

5.21.2 Employment Relation. Each full-time employee and officer of the Group Companies has duly executed an Employment-Related Agreement which is in full force and effect and binding upon and enforceable against each such Person, and to the best Knowledge of each Warrantor, none of the full-time employees or officers is in violation thereof. None of the Warrantors is aware that any Key Employee intends to terminate his or her employment with any Group Company, nor does any Group Company have a present intention to terminate the employment of any Key Employee. There is no share incentive, share option, profit sharing, or other incentive arrangement for or affecting any current or former employee or worker of any Group Company. Except as required by applicable Laws, no Group Company has or maintains any employee benefit plan, employee pension plan, medical insurance, or life insurance to which any Group Company contributed or is obligated to contribute thereunder for current or former employees of any Group Company.

5.22 No Other Business.

5.22.1 Company. The Company was formed solely to acquire and hold the Equity Securities in the BVI Subsidiary and the US Subsidiary I and since its formation has not engaged in any other business and has not incurred any Liability in the course of its business of acquiring and holding its Equity Securities in the BVI Subsidiary and the US Subsidiary I.

5.22.2 BVI Subsidiary. The BVI Subsidiary was formed solely to acquire and hold Equity Securities in the HK Subsidiary and since its formation has not engaged in any other business and has not incurred any Liability in the course of its business of acquiring and holding its Equity Securities in the HK Subsidiary.

5.22.3 US Subsidiary I. The US Subsidiary I was formed solely to acquire and hold Equity Securities in the US Subsidiary II and since its formation has not engaged in any other business and has not incurred any Liability in the course of its business of acquiring and holding its Equity Securities in the US Subsidiary II.

5.22.4 US Subsidiary II. The US Subsidiary II has not engaged in any business and has not incurred any Liability since its incorporation, and the US Subsidiary II does not hold any Equity Security in any other Person.

5.22.5 HK Subsidiary. The HK Subsidiary was formed solely to acquire and hold Equity Securities in the WFOE and since its formation has not engaged in any other business and has not incurred any Liability in the course of its business of acquiring and holding its Equity Securities in the WFOE.

5.22.6 PRC Subsidiaries. The PRC Subsidiaries are engaged solely in the Principal Business and have no other business activities.

5.23 Minute Books. The minute books of each Group Company which have been made available to the Investor contain a complete summary of all meetings and actions taken by directors, shareholders or owners of such Group Company since its formation, and reflect all material transactions referred to in such minutes accurately in all respects.

5.24 Financial Advisor Fees. There exists no Contract between any Warrantor or any of its or his/her Affiliates and any investment bank or other financial advisors under which such Warrantor may owe any brokerage, placement or other fees relating to the issue of the Subscription Shares. No Warrantor has retained any finder or broker in connection with the transactions contemplated by this Agreement.

5.25 Obligations of Management. Each of the Founder and the Key Employees is devoting one hundred percent (100%) of his working time and attention to the business of the Group Companies and has been using his best efforts to develop the business and care for the interests of the Group Companies, and none of the Founder or Key Employees is planning to work less than full time at the Group Companies in the future. None of the Founder or Key Employees, directly or indirectly, owns, manages, is engaged in, operates, Controls, works for, consults with, renders services for, does business with, maintains any interest in (proprietary, financial or otherwise) or participates in the ownership, management, operation, or Control of, any Restricted Business, whether in corporate, proprietorship or partnership form or otherwise.

5.26 Insolvency. Immediately prior to the Closing, (a) the aggregate assets of each Group Company, at a fair valuation, exceed or will exceed the aggregate debt of each such entity, as the debt becomes absolute and mature, and (b) each Group Company does not incur or intend to incur, and will not have incurred or intended to incur debt beyond its ability to pay such debt as such debt becomes absolute and matures. There has not been commenced against any Group Company an involuntary case under any applicable national, provincial, city, local or foreign bankruptcy, insolvency, receivership or similar Law now in effect, or any Action for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of such Person or for any substantial part of its property or for the winding up or liquidation of its affairs.

5.27 Control Documents. The Control Documents have been executed and delivered by the relevant parties thereto and the Investor has been provided with a copy of each Control Document duly executed by all the parties thereto. In addition, all equity interests of the Domestic Company have been pledged to the WFOE in accordance with the Control Documents and such pledge has been registered with the competent Governmental Authority. All consents required in connection with the Control Documents have been made or unconditionally obtained in writing, and no such consent has been withdrawn or is subject to any condition precedent which has not been fulfilled or performed. Each Control Document is in full force and effect and no party to any Control Document is in breach or default in the performance or observance of any of the terms or provisions of such Control Document.

6. REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

The Investor represents and warrants to the Company that it has all requisite power, authority and capacity to enter into the Transaction Documents to which it is a party, and to perform its obligations hereunder and thereunder. Each Transaction Document to which it is a party has been duly authorized, executed and delivered by the Investor. Each Transaction Document to which it is a party, when executed and delivered by the Investor, will constitute valid and legally binding obligations of the Investor, enforceable against the Investor in accordance with its terms and subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar Laws affecting creditors' rights generally and to general equitable principles.

7. COVENANTS OF THE WARRANTORS

The Warrantors hereby jointly and severally covenant to the Investor as follows:

7.1 Use of Proceeds from the Issue of the Subscription Shares. The proceeds from the issuance and sale of the Subscription Shares shall be used for the working capital of the Company, and shall not be used to repay any debt of any Group Company or any of its Affiliates, to repurchase, redeem or cancel any Equity Securities, to make any payments to shareholders or directors of the Company, or to make any payments to any Interested Party or for any other purpose, without the prior written approval of the Investor.

7.2 Business of the Group Companies. Except as otherwise approved by the Board and the shareholders of the Company in accordance with the Restated Articles, the business of each Group Company shall be restricted to their respective business as set forth in Section 5.22 above.

7.3 Ordinary Shares Lock-up. Any Ordinary Shares directly or indirectly held by the Founder shall not be transferable except as provided in (i) the Shareholders Agreement, (ii) the Share Mortgage among the Holding Company, the Company and NORTH HAVEN PRIVATE EQUITY ASIA HARBOR COMPANY LIMITED dated July 31, 2017, and (iii) the Share Mortgage among the Founder, the Holding Company and NORTH HAVEN PRIVATE EQUITY ASIA HARBOR COMPANY LIMITED dated July 31, 2017.

7.4 Compliance.

7.4.1 General. The Warrantors shall cause the Group Companies to conduct their respective businesses as now conducted and as proposed to be conducted in compliance with all applicable Laws on a continuing basis, including but not limited to the Laws regarding foreign investments, corporate registration and filing, import and export, customs administration, foreign exchange, construction and interior decoration, environment, advertisement, telecommunication and e-commerce, intellectual property rights, taxation, labor and social welfare, welfare funds, social benefits, medical benefits, insurance, retirement benefits, and pensions or the like.

7.4.2 Business Permits or Licenses. Each of the Group Companies shall, and each of the Warrantors shall cause such Group Company to, at all times maintain the appropriate governmental permits or licenses required to conduct the Principal Business and any other business conducted by the Group Companies at any given time, and shall not permit any Group Company to conduct any business for which it does not have the appropriate governmental permits or licenses.

7.4.3 SAFE Registration. The Founder and any other Person who is required to comply with the SAFE Rules and Regulations shall, and each of the Warrantors shall cause them to, at their own expense, fully comply with all requirements of the PRC Governmental Authorities with respect to their direct or indirect holding of Equity Securities in the Holding Company, the Company, the BVI Subsidiary, the US Subsidiaries and the HK Subsidiary on a continuing basis (including, but not limited to, all reporting obligations imposed by and all Approvals and permits required by the SAFE Rules and Regulations and the PRC Governmental Authorities in connection therewith).

7.4.4 Employment. The PRC Subsidiaries shall, and each of the Warrantors shall cause each employee to, carry out, perform, and complete all actions and steps with respect to the contributions to the Social Security Funds in compliance with the PRC Laws. The Warrantors agree that they shall jointly and severally indemnify and hold harmless the Group Companies and the Investor against any losses, claims, damages, or Liabilities to which they may become exposed under the PRC Laws, insofar as such losses, claims, damages, or Liabilities (or actions in respect thereof) arise out of or are based upon any breach or violation of the PRC Laws with respect to the contribution of the Social Security Funds.

7.4.5 Anti-Corruption Laws Compliance. Each of the Holding Company and the Group Companies shall not, and each of the Warrantors shall procure that any director, officer, employee, agent or representative of the Holding Company or any Group Company shall not, take any action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any person to improperly influence official action by that person for the benefit of the Holding Company or any Group Company, or to otherwise secure an improper business advantage for the Holding Company or any Group Company. Each of the Holding Company and the Group Companies shall conduct its businesses in compliance with applicable Anti-Corruption Laws, and will continue to maintain policies and procedures designed to promote and achieve compliance with such Laws.

7.4.6 Anti-Money Laundering Compliance. Each of the Holding Company and the Group Companies shall ensure that the operations of the Holding Company and each Group Company shall continue to be conducted at all times in material compliance with all applicable financial recordkeeping and reporting requirements and the Anti-Money Laundering Laws.

7.4.7 No Sanctions.

(a) None of the Holding Company nor the Group Companies shall, directly or indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person:

1. to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions; or

2. in any other manner that will result in a violation of Sanctions by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise).

(b) None of the Holding Company nor the Group Companies shall engage in any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions.

7.5 Financial Matters and other Information. Each Group Company shall keep adequate records and books of account, in which all entries shall be made on a consistent basis in accordance with PRC GAAP, accurately reflecting all financial transactions of such Group Company, to the extent required by PRC GAAP, and in which, for each fiscal year, all proper reserves for depreciation, depletion, obsolescence, amortization, Taxes, bad debts and other purposes in connection with its business shall be made in accordance with PRC GAAP. Each Group Company shall continue to maintain a standard system of accounting established and administered in accordance with PRC GAAP and shall comply with all applicable Laws relating to financial reporting on a continuous basis. Without limiting the generality of the foregoing, all debts, Liabilities and obligations, revenues, costs and other expenses of the Group Companies shall be accurately recorded and recognized in accordance with PRC GAAP. Without the Investor's prior written consent, none of the Group Companies may enter into any transaction with any Interested Party. All cash payments and receipts of any Group Company shall be conducted using bank accounts opened and maintained under the name of and operated by such Group Company and no use of any other Person's bank accounts for or on behalf of such Group Company shall be permitted. For the purpose of the initial public offering of the Company or upon the request of the Investor, the financial matters mentioned above and the financial statements of the Group Companies shall instead be prepared in accordance with the US GAAP.

7.6 Tax Matters.

7.6.1 Compliance. Each Group Company shall comply and will cause any entity which each Group Company controls to comply on an annual basis with respect to its taxable year with all record-keeping, reporting, and other requirements necessary for such Group Company and any entity which such Group Company controls to comply with any applicable tax Law or to allow any direct or indirect shareholder or owner to avail itself of any applicable provision of tax Laws. The Group Companies shall also provide any direct or indirect shareholder or owner with any documentation or information requested by such direct or indirect shareholder or owner to allow such shareholder to comply with applicable tax Laws.

7.6.2 PFIC. The Company shall use its best efforts not to become, and cause its current or future Subsidiaries not to become, a PFIC. As long as any Investor holds any shares or securities in the Company, and without limiting any other tax-related provisions in the Transaction Documents, the Company shall promptly provide such Investor all assistance, cooperation, information and documents which such Investor may reasonably request from time to time (a) to establish whether the Company or any of its Subsidiaries is or is likely to become a PFIC; (b) to enable such Investor to make a "qualified electing fund" election with respect to the Company under section 1295 of the Code (a "**QEF Election**") in any tax year; (c) generally to enable such Investor to comply with all obligations imposed on it under the Code with respect to the Company or any of its Subsidiaries as a possible PFIC, including without limitation all obligations arising out of a QEF Election; and (d) delivered relevant information requested by the Investor.

7.6.3 Tax Gross Up. All payments under this Agreement or any other Transaction Document by the Company or any other Group Company shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the BVI, the United States and Hong Kong, unless such withholding or deduction is required by law. In that event the Company shall pay such additional amounts as will result in the receipt by the Investor of such amounts as would have been received by it if no such withholding or deduction had been required.

7.6.4 Notification regarding US Person. The Company shall, and the Warrantors shall procure the Company to, promptly notify the Investor if any existing shareholder of the Company or any spouse, parent or child thereof is or becomes either a US citizen, a US resident, or a green card holder. This requirement shall apply to any existing shareholder of the Company other than a natural person, (i) if any beneficial owner or beneficiary or spouse, parent, or child thereof is or becomes a US citizen, a US resident, or a green card holder, or (ii) if the existing shareholder itself becomes, or becomes beneficially owned by, an entity created or organized in or under the laws of the US or an estate or trust that is treated as a US person.

7.6.5 US Tax Elections. At the request of the Investor, each Group Company and each Warrantor shall cooperate with the Investor in (i) the prompt preparation and filing of 'check the box' elections effective at least 2 days prior to the Closing to specify the US tax classification of each Group Company, (ii) the prompt conversion of each Group Company that is not currently eligible to make a check the box election into a company form which is eligible to make such an election, and (iii) taking any other action that is reasonably requested to enhance, rationalize, and/or simplify the US tax treatment of the Group Companies, it being understood that (x) no check the box election shall have any bearing on the tax treatment or legal status of the subject entity for non-US purposes, (y) no conversion or action shall be undertaken as described above if it is determined that doing so would have an adverse impact on any of the Group Companies or any existing shareholders of the Company, and (z) the reasonable costs and expenses incurred in this connection shall be promptly paid or reimbursed by the Investor. Each Group Company and each Warrantor shall cooperate in the timely adoption of resolutions, if and when necessary, and the execution and filing of such forms and other documentation as the Investor may request in this respect.

7.7 Filing of Restated Articles. Within fifteen (15) Business Days following the due adoption of the Restated Articles by the Company, the Restated Articles shall be duly filed with the Registrar of Companies of the Cayman Islands.

7.8 Acquisition of Third Parties' Equity Securities. Within three (3) months after the Closing and as required by the Investor, the Warrantors shall procure that Qingke Equipment Rental acquire 40% of the Equity Securities of Tangqing Property held by Shanghai Tangzhen Investment Development (Group) Co., Ltd. (□□□□□□□□(□□)□□□□), and the subscription price to be paid by Qingke Equipment Rental for the abovementioned acquisition shall be negotiated on an arm's length basis and be satisfactory to the Investor.

7.9 Stamp Duty. Unless otherwise specified in any other Transaction Document, the Company agrees to pay (a) any and all stamp or other similar documentary taxes or duties (including any interest and penalties thereon or in connection therewith) payable in connection with the authorization, issuance or delivery of the Subscription Shares, the Conversion Shares and the Adjustment Shares and the execution, delivery and performance of this Agreement and the other Transaction Documents; and (b) any value added tax payable in connection with the commissions or other amounts payable or allowed under this Agreement and the other Transaction Documents, and the Company shall indemnify promptly upon demand the Investor against any Liabilities, losses, costs, expenses (including, without limitation, legal fees and value added tax thereon) and claims, actions or demands which it may incur as a result of or arising out of or in relation to any failure to pay or delay in paying any of the same. Notwithstanding the above, the Company will pay any stamp, issue, registration, documentary or other taxes and duties, including interest and penalties, payable in respect of the creation, issue and offering of the Subscription Shares, the execution or delivery of this Agreement and other Transaction Documents, the conversion of the Subscription Shares into Ordinary Shares and the issuance and delivery of Adjustment Shares. The Company will also indemnify the Investor from and against all stamp, issue, registration, documentary or other taxes paid by any of them in any jurisdiction in connection with any action taken by or on behalf of the Investor to enforce the obligations of the Company under this Agreement or other Transaction Documents.

7.10 Efforts for Consummation of Transaction. Each of the Warrantors shall do and perform all things required to be done and performed under the Transaction Documents prior to and after the Closing Date in order to consummate the transactions contemplated by the Transaction Documents on a timely basis, including giving such notices and obtaining all other Approvals of all Governmental Authorities and other third parties that are or may become necessary for its execution and delivery of, and the performance of its obligations under, this Agreement and other Transaction Documents and shall cooperate fully with the other Parties hereto in promptly seeking to obtain all governmental and regulatory approvals that are required to be obtained prior to or after the Closing.

7.11 Material Adverse Effect. After the date of this Agreement and prior to the Closing Date, each Group Company shall not, and each of the Warrantors shall procure that each Group Company shall not, do anything or take any step, action or measure (or omit to take the same), which has or could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

7.12 Maintenance of Properties. The Company shall and shall procure that each of its Subsidiaries shall cause all material properties owned by it or used or held for use in the conduct of its business to be maintained and kept in reasonably good condition, repair and working order (ordinary wear and tear excepted) and supplied with all reasonably necessary equipment and cause to be made all reasonably necessary repairs, renewals, replacements, betterments and improvements thereof, all as in its reasonable judgment may be consistent with sound business practice and necessary so that the business carried on in connection therewith may be properly conducted.

7.13 Use of Investor's Name or Logo. Without the prior written consent of the Investor, and whether or not the Investor is a shareholder of the Company, none of the Group Companies, their shareholders (excluding the Investor), nor the Founder shall use, publish or reproduce the names of the Investor or any similar names, trademarks or logos in any of their marketing, advertising or promotion materials or otherwise for any marketing, advertising or promotional purposes.

7.14 Proprietary Asset Registration. The Warrantors shall, upon the reasonable request of the Investor, use their best efforts to cause registration of the relevant Proprietary Assets necessary for the conduct of the Principal Business with the relevant Governmental Authorities as soon as practicable, including without limitation the trademarks and software copyrights listed in Section 5.8.1 of the Disclosure Schedule.

7.15 Internal Control System. The Group Companies shall, as soon as practicable but in no event later than six (6) months after the Closing, adopt and implement an internal control system satisfactory to the Investor, including without limitation:

7.15.1 The Group Companies shall establish a supplier selection criteria and system (such as adopting public bidding process in selection of interior decoration contractors, or requiring landlords to sign decoration agreements independently with qualified interior decoration contractors);

7.15.2 The Group Companies shall prepare and collect all the relevant documents of the self-developed Proprietary Assets to fulfill the requirements of Proprietary Asset capitalization; and

7.15.3 The Group Companies shall evaluate the possibility of carry-back of Group Companies' accumulated loss in future in order to determine whether it shall be recognized as deferred Tax assets.

7.16 Tax Compliance Letter. As soon as practicable before the QIPO, the Group Companies shall apply for and obtain Tax compliance letters from all competent Tax authorities, indicating that there is no historical non-compliance with the Group Companies' payment of business Tax.

7.17 Non-solicitation. From the date of this Agreement to the Closing Date, each of the Warrantors and their respective officers and directors shall not, and shall cause its other representatives not to, directly or indirectly, (i) solicit, or initiate any proposal (a "**Proposal**") relating to (A) direct or indirect acquisition or purchase of any debt, equity or equity-linked securities (including any and all shares of Equity Securities of the Group Companies, securities of the Group Companies convertible into, or exchangeable or exercisable for, such shares, and options, warrants or other rights to acquire such shares and any securities that represent the right to receive such equity securities) or any tender offer or exchange offer or (B) a merger, amalgamation, share exchange or consolidation, (C) a sale of all or substantially all of the assets of the Group Companies or (D) any other capital raising transaction by the Company or any of its Group Companies, (ii) participate in any discussions or negotiations regarding or furnish to any Person any information or otherwise facilitate any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any Proposal (other than a modified Proposal of the Investor, if any), or (iii) authorize, engage in, or enter into any agreement or understanding with respect to, any Proposal, in each case, other than with the Investor and its representatives. Each of the Warrantors and their respective officers and directors shall, and each of the Warrantors shall cause its other representatives to, immediately terminate any existing activities or discussions in relation to any Proposal with any other party other than the Investor and its representatives. The Warrantors will immediately (within one Business Day) advise the Investor of, and inform the Investor of the terms of, and the identity of the Person making any Proposal that any of the Warrantors or any of their representatives or Affiliates may receive from the date of this Agreement to the Closing Date.

7.18 Obligations of Management; Non-Compete and Non-Solicitation. Until the third (3rd) anniversary of the consummation of a QIPO, the Founder shall devote all of his working time and attention to the business of the Group Companies and shall use his or her best efforts to develop the business and care for the interests of the Group Companies. The Founder hereby further covenants and undertakes that, unless conducted through the Group Companies or upon the prior written consent of the Investor, during the period when he or she is holding any office in and/or has any direct or indirect interest in any Group Company and for a further period of three (3) years thereafter, he or she shall not, (i) directly or indirectly through any Affiliate, own, manage, be engaged in, operate, Control, work for, consult with, render services for, do business with, maintain any interest in (proprietary, financial or otherwise) or participate in the ownership, management, operation, or Control of, any business, whether in corporate, proprietorship or partnership form or otherwise, that is within or related to the Restricted Business or otherwise Competes with any Group Company, or (ii) solicit, induce or encourage any employees of the Group Companies to leave such employment or hire, employ or otherwise engage any such individual, or cause, induce or encourage any material actual or prospective client, customer, supplier, licensee or licensor of the Group Companies or any other Person who has a material business relationship with the Group Companies, to terminate or modify to the detriment of the Group Companies any such relationship. For the avoidance of doubt, after the Closing, the Warrantors shall procure that Qingke Shishang and its Subsidiaries shall not conduct any other business and take any other actions unless otherwise contemplated under the Transaction Documents or the Restructuring Plan or with the prior written consent of the Investor.

7.19 Business Operation of Minqing Property and Tangqing Property. Within three (3) months after the Closing, each of the Warrantors shall procure that Minqing Property and Tangqing Property shall commence operation of the Principal Business, with evidence thereof being furnished to the Investor to its satisfaction.

7.20 Registration of Service Centers. As soon as practicable but in any event within three (3) months after the Closing, the Group Companies shall register each of their respective service centers as a branch with the applicable Governmental Authority.

7.21 Lease Registration. As soon as practicable but in any event within six (6) months after the Closing, the Group Companies shall register each of their lease agreements for lease and sub-lease with the competent Governmental Authority, with evidence thereof being furnished to the Investor to its satisfaction.

7.22 Real Estate Agency Filing. As soon as practicable but in any event within three (3) months after the Closing, the Warrantors shall procure that each PRC Subsidiary which is engaged in the real estate agency business shall complete all applicable filings with the real estate department of the applicable Governmental Authority.

7.23 Landlord's Consent. As soon as practicable but in any event within one (1) month after Closing, the Warrantors shall procure that each of Qingke Public Rental and Qingke Chuangyi shall obtain a written waiver and/or consent in relation to its usage and sublease from the landlords of Xinxiang Service Apartment, Haibao Business Apartment and Xinxiang Zhuanqiao Apartment (as the case may be).

7.24 Assets Purchase Plan of the assets of Qingke Robot. As soon as practicable but in any event within three (3) months after Closing, the Warrantors shall procure that the applicable Group Companies shall complete the transfer of the assets of Qingke Robot as set out in the Qingke Robot Assets Purchase Plan.

7.25 Transfer of Proprietary Assets of Qingke Shishang. As soon as practicable but in any event within three (3) months after Closing, the Warrantors shall procure that all Proprietary Assets owned by Qingke Shishang as set out in Exhibit XII shall be transferred to the Company.

7.26 Notice and Cure. Each Warrantor shall notify the Investor in writing of, and contemporaneously shall provide the Investor with true and complete copies of any and all information or documents relating to, and shall use best efforts to cure before the Closing, any event, transaction or circumstance, as soon as practicable after it becomes known to the relevant party, occurring after the date of this Agreement that causes or will cause any covenant or agreement of any Warrantor under this Agreement to be breached or that renders or will render untrue any representation or warranty of any Warrantor contained in this Agreement as if the same were made on or as of the date of such event, transaction or circumstance. Should any such event, transaction or circumstance require any change in the Disclosure Schedules hereto if such Disclosure Schedules were dated the date of the occurrence or discovery of any such event, transaction or circumstance, at and only at the request of the Investor, the Company shall promptly deliver to the Investor a supplement to the Disclosure Schedules specifying such change ("**Updated Disclosure Schedule**"). Without Investor's consent, no notice or Updated Disclosure Schedule given pursuant to this Section 7.26 shall have any effect on the representations, warranties, covenants or agreements contained in this Agreement for purposes of determining satisfaction of any condition contained herein or shall in any way limit the Investor's right to seek indemnity under this Agreement.

7.27 Update Share Pledge under the Control Documents. As soon as practicable but in any event within three (3) months after Closing, the Warrantors shall procure that the relevant Group Companies shall have updated the registration of the share pledge under the Control Documents to reflect an increase from RMB 600,000,000 to the RMB equivalent amount of US$310,000,000.

7.28 No Further Lien. Without the prior written consent of the Investor, no further Lien shall be created over (i) the shares of the Holding Company held by the Founder; and (ii) the Ordinary Shares of the Company held by the Holding Company.

7.29 Additional Covenants.

7.29.1 Except as required by this Agreement, no resolution of the directors, owners, members, partners or shareholders of the Group Companies shall be passed, nor shall any Contract be entered into, in each case, prior to the Closing without the prior written consent of the Investor, except that each Group Company shall carry on its respective business in the same manner as heretofore and may pass resolutions and enter into Contracts so long as they are effected in the ordinary course of business and on arms'-length terms. Each Warrantor shall not, and shall procure that each Group Company shall not, undertake any of the matters set out in Exhibit C of the Shareholders Agreement prior to Closing, without the prior written consent of the Investor.

7.29.2 If at any time before the Closing, any Warrantor comes to know of any material fact or event which (i) has resulted or would result in a breach of the Warranties, (ii) is inconsistent with the Warranties in any material aspects, (iii) suggests that material fact warranted may not be as warranted or may be misleading, or (iv) might affect the willingness of a prudent investor to consummate the transactions as contemplated hereunder or the amount of consideration which the Investor would be prepared to pay for the Subscription Shares, such Warrantor shall give immediate written notice thereof to the Investor in which event the Investor may terminate this Agreement by written notice without any penalty whatsoever and without prejudice to any rights that the Investor may have under this Agreement or applicable Laws.

7.29.3 Prior to Closing, each Warrantor shall, and shall procure that each Group Company shall, give reasonable access to the premises and all the books and records of each Group Company, and the Warrantors shall procure that the directors and employees of each Group Company shall provide to the Investor all information relating to the transactions contemplated under the Transaction Documents as the Investor may request.

8. CONDITIONS TO INVESTOR'S OBLIGATIONS AT THE CLOSING

The obligations of the Investor to consummate the transactions under Section 2 of this Agreement are subject to the fulfillment, to the satisfaction of the Investor on or prior to the Closing, or waiver by the Investor, of the following conditions:

8.1 Representations and Warranties True and Correct. The Warranties made by the Warrantors in Section 4 shall be true and correct and complete when made, and shall be true and correct and complete as of the Closing Date with the same force and effect as if they have been made on and as of the Closing Date, except in either case for those representations and warranties that address matters only as of a particular date, which representations will have been true and complete as of such particular date.

8.2 Performance of Obligations. Each Warrantor shall have performed and complied with all agreements, obligations and conditions contained in this Agreement, including but not limited to the applicable provisions in Section 8 that are required to be performed or complied with on or before the Closing.

8.3 Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated hereby and all documents and instruments incident to such transactions shall be satisfactory in substance and form to the Investor, and the Investor shall have received all such counterpart originals, certified copies or such other true copies of documents as it may reasonably request.

8.4 Good Standing. The Investor shall have received a certificate of good standing issued by the Registrar of Companies of the Cayman Islands certifying that the Company was duly constituted, paid all required fees and is in good legal standing.

8.5 Due Diligence. The Investor shall have completed its business, legal, financial due diligence investigation of the Group Companies to its satisfaction.

8.6 Approval by Investment Committee. The Investor shall have received all necessary internal approvals, including approval by its Investment Committee, of the transactions contemplated hereunder and under all other Transaction Documents.

8.7 Execution of Transaction Documents. At the Closing, the Company shall have delivered to the Investor each of the Transaction Documents, duly executed by the Company and all other parties thereto (except for the Investor), and the Restated Articles shall have been duly adopted by the Company by all necessary corporate actions of the Board and its shareholders.

8.8 No Material Adverse Effect. There shall have been no event or events which, in the sole determination of the Investor, would have a Material Adverse Effect on the Group Companies taken as a whole or on the financial markets in general.

8.9 Approvals, Consents and Waivers. Each Warrantor shall have obtained any and all Approvals necessary for the consummation of the transactions contemplated hereby and the Restructuring contemplated under the Restructuring Plan, and the Qingke Robot Assets Purchase Plan including but not limited to Approvals of any Governmental Authority or third party, the waiver by the existing shareholders of the Company of any consent rights, anti-dilution rights, rights of first refusal, preemptive rights and all similar rights in connection with the issuance of the Subscription Shares at the Closing and the issue of the Conversion Shares and the Adjustment Shares, each of which shall be in full force and effect as of the Closing, and shall have delivered copies of the foregoing to the Investor.

8.10 No Injunction; No Action. No injunction, restraining order or order of any nature by a Governmental Authority shall have been issued as of the Closing Date that could prevent or materially interfere with the consummation of the transactions contemplated under the Transaction Documents; and no stop order suspending the qualification or exemption from qualification of any of the Securities in any jurisdiction shall have been issued and no Proceeding for that purpose shall have been commenced or, to the best Knowledge of the Company after due inquiry, be pending or threatened as of the Closing Date. No action shall have been taken and no applicable Law shall have been enacted, adopted or issued that could, as of the Closing Date, reasonably be expected to prevent the consummation of the transactions contemplated under the Transaction Documents. No Proceeding shall be pending or, to the best Knowledge of the Company after due inquiry, threatened other than Proceedings that if adversely determined would not, individually or in the aggregate, adversely affect the issuance or marketability of the Subscription Shares, or could not, individually or in the aggregate, have a Material Adverse Effect. None of the Group Companies has taken any step, action or measure (or omitted to take the same), which has or could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

8.11 Compliance Certificates. The Investor shall have received on the Closing Date a certificate dated the Closing Date, signed by each Warrantor and the chief executive officer (or an equivalent officer of such Warrantor) to the effect that (a) the representations and warranties set forth in Section 4 are true and correct with the same force and effect as though expressly made at and as of the date of delivery of the Financial Statements and the Closing Date, (b) each Group Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date, (c) at the Closing Date, since the date hereof or since the date of the most recent financial statements, no event or events have occurred, no information has become known nor does any condition exist that could, individually or in the aggregate, have a Material Adverse Effect, (d) since the date of the most recent financial statements, none of the Group Companies has incurred any Liabilities or obligations, direct or contingent, not in the ordinary course of business, or entered into any other transactions not in the ordinary course of business, and there has not been any change in the Equity Securities or long-term indebtedness of any of the Group Companies, in each case, which could, individually or in the aggregate, have a Material Adverse Effect, and (e) the sale of any of the Subscription Shares has not been enjoined (temporarily or permanently).

8.12 Board of Directors. As of the Closing Date, the Board shall comprise of no more than eleven (11) directors, and shall comprise of (a) one (1) director to be appointed by the Investor, (b) one (1) director to be appointed by the holders of the Series C Shares, (c) two (2) directors to be appointed by the holders of the Series B Shares, (d) one (1) director to be appointed by the holders of the Series A-1 Shares, (e) one (1) director to be appointed by the holders of the Series A-2 Shares, (f) one (1) director to be appointed by the holders of the Series A-3 Shares, and (g) four (4) directors to be appointed by the Ordinary Shareholders.

8.13 Legal Opinions. The Investor shall have received legal opinions from each of the PRC legal counsel and Cayman legal counsel of the Group Companies, addressed to the Investor, dated as of the Closing Date and in form and substance satisfactory to the Investor.

8.14 Financial Statements. The Investor shall have received the Financial Statements.

8.15 Business Operation Plan and Budget. The Investor shall have received a twelve-month after-investment business operation plan and budget of the Group Companies to its satisfaction.

8.16 Huarui Bank Waiver Letter. The Company shall have received a letter signed by Huarui Bank, in form and substance satisfactory to the Investor, certifying that, as of the date thereof: (i)the loan agreement (and any amendments thereof, collectively as the "**Huarui Loan Agreement**") between the Domestic Company and Huarui Bank dated September 26, 2016 has been performed by the Domestic Company in good standing; and (ii) there is no claim made by Hairui Bank against the Group Companies (as applicable) for any failure to comply any covenants and/or obligations under Huarui Loan Agreement.

8.17 Software development service of Qingke Robot and the Domestic Company. The software development service agreement between Qingke Robot and the Domestic Company is in full force and effect and is not terminated prior to the transfer of the assets of Qingke Robot pursuant to the Qingke Robot Assets Purchase Plan.

9. CONDITIONS TO COMPANY'S OBLIGATIONS AT THE CLOSING

The obligations of the Company to consummate the transactions under Section 2 of this Agreement are subject to the fulfillment, to the satisfaction of the Company, at or before the Closing, or waiver by the Company, of the following conditions:

9.1 Representations and Warranties. The representations and warranties of the Investor contained in Section 6 hereof shall be true and correct when made and as of the Closing and by reference to the facts then existing.

9.2 Execution of Transaction Documents. At the Closing, the Investor shall have delivered to the Company each of the Transaction Documents to which it is a party, duly executed by the Investor.

10. INDEMNIFICATION

10.1 Indemnification. Each of the Warrantors (each such Person being referred to as an "**Indemnifying Party**"), jointly and severally, agrees to indemnify and hold harmless the Investor, each of its Affiliates and their respective officers, directors, partners, shareholders, counsel, employees and agents (the Investor and each such other Person being referred to as an "**Indemnified Party**"), to the fullest extent lawful, from and against any losses, claims, damages, diminution in value, Liabilities and reasonable expenses (or actions in respect thereof) (collectively, the "**Damages**"), directly or indirectly, arising out of, relating to or resulting from:

(a) actions taken or omitted to be taken by any of the Warrantors or their respective Affiliates, officers, directors, employees or agents prior to the Closing; or

(b) any breach by any of the Warrantors or their respective Affiliates of any of the representations, warranties, covenants and agreements set forth in any Transaction Document, and will reimburse the Indemnified Parties for all reasonable expenses (including, without limitation, fees and expenses of counsel) as they are incurred in connection with investigating, preparing, defending or settling any such action or claim, whether or not in connection with litigation in which any Indemnified Party is a named party. If any of the Indemnified Parties' personnel appears as witnesses, are deposed or are otherwise involved in the defense of any action against an Indemnified Party, the Indemnifying Parties will reimburse the Investor for all reasonable expenses incurred by the Investor by reason of any of the Indemnified Parties being involved in any such action.

10.2 Specific Indemnities. Notwithstanding anything to the contrary herein, each of the Indemnifying Parties, jointly and severally, agrees to indemnify and hold harmless the Indemnified Parties, from and against any and all Damages, whether or not involving a third party claim, including reasonable attorneys' fees, arising out of, relating to or resulting from:

(a) any failure to pay Social Security Funds contribution by any Group Company before the Closing;

(b) any failure to obtain any Approval required for the business operation of any Group Company, or any failure by a Group Company to comply with applicable PRC Laws to conduct the Principal Business;

(c) any Tax Liability of any Group Company accrued before the Closing (for the avoidance of doubt, including but not limited to any Tax Liability in connection with the failure to perform any withholding obligations);

(d) any Tax Liability occurred due to the incompleteness or defects in the agreements entered into with the landlords and/or tenants;

(e) any Liability related to the goods purchase agreement and goods lease agreement entered into or to be entered into by and between the Group Companies and Shanghai Jiaya Shiye Co. Ltd. (□□□□□□□□□□) other than the payment of goods subscription price or goods rentals pursuant to the said agreements;

(f) any undisclosed Liabilities of the Group Companies prior to the Closing. Such indemnification shall not be prejudiced by or be otherwise subject to any disclosure (in the Disclosure Schedule or otherwise);

(g) any Liability resulting from a failure by a Group Company to complete the filings with the real estate department of the relevant Government Authority in respect of each PRC Subsidiary which is engaged in the real estate agency business;

(h) any Liability resulting from a failure by a Group Company to complete the lease registration for each lease agreement leased by or to such Group Company;

(i) any Liability resulting from a failure by a Group Company (x) to comply with the usage stated on the Certificate of Land Use Right to the State Owned Land (□□□□□□□□) or the Certificate of Real Property Ownership (□□□□□) (as the case may be), or (y) to obtain the landlord's consent in respect of the land or property on which the apartments are situated and leased by the Group Companies for the Principal Business;

(j) any Liability in connection with or arising from a breach of the Accommodation Services Agreement by a Group Company arising as a result of a breach of the real property management agreement (□□□□□□) with the relevant landlords;

(k) any Liability resulting from a failure by a PRC Subsidiary to register its service centers as a branch;

(l) any Liability arising from a failure by the Company to complete the transfer of the assets as set out in the Qingke Robot Assets Purchase Plan and any defect relating to the software development contract between Qingke Robot and the Domestic Company;

(m) any Liability arising from (x) a failure to transfer the Proprietary Assets owned by Qingke Shishang to the Company, (y) a failure to impose non-compete restrictions on Qingke Shishang after the completion of the Restructuring or (z) a failure to collect the account receivables to be collected from any third parties including but not limited to Shanghai Yijia Investment Co., Ltd. (□□□□□□□□□□);

(n) any Liability resulting from a failure by a PRC Subsidiary to comply with the requirements as stipulated in the loan agreement (and any amendments thereof) between the Domestic Company and Huarui Bank dated September 26, 2016;

(o) any Liability arising from the outsourcing of labor by a Group Company;

(p) any direct damages caused to the Group Companies arising from any transactions with any Interested Party during ordinary course of business that are not conducted on arm's length terms; and

(q) any Liability resulting from a breach by Qingke Public Rental of the receivables pledge agreement and the receivables pledge registration agreement between Qingke Public Rental and Lujiazui International Trust Co., Ltd. (□□□□□□□□□□□) dated January 26, 2017 and February 28, 2017 respectively.

10.3 Procedures. As promptly as reasonably practicable after receipt by an Indemnified Party under this Section 10 of notice of the commencement of any action for which such Indemnified Party is entitled to indemnification under this Section 10, such Indemnified Party will, if a claim in respect thereof is to be made against the Indemnified Party under this Section 10, notify the Indemnifying Party of the commencement thereof in writing; but the omission to so notify the Indemnifying Party (i) will not relieve such Indemnifying Party from any Liability under Section 10.1 above and (ii) will not, in any event, relieve the Indemnifying Party from any obligations to any Indemnified Party otherwise than the indemnification obligation provided in Section 10.1 above. In case any such action is brought against any Indemnified Party, and it notifies the Indemnifying Party of the commencement thereof, the Indemnifying Party will be entitled to participate therein and, to the extent that it may determine, jointly with any other Indemnifying Party similarly notified, to assume the defense thereof, with counsel satisfactory to such Indemnified Party (who shall not, except with the consent of the Indemnified Party, be counsel to the Indemnifying Party) at the expense of the Indemnifying Party; provided, however, that if (i) the use of counsel chosen by the Indemnifying Party to represent the Indemnified Party would present such counsel with a conflict of interest, (ii) the actual or potential defendants in, or targets of, any such action include both the Indemnified Party and the Indemnifying Party and the Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to it and/or other Indemnified Party that are different from or additional to those available to the Indemnifying Party, (iii) the Indemnifying Party shall not have employed counsel satisfactory to the Indemnified Party to represent the Indemnified Party within a reasonable time after notice of the institution of such action or (iv) the Indemnifying Party shall authorize the Indemnified Party to employ separate counsel at the expense of the Indemnifying Party, then, in each such case, the Indemnifying Party shall not have the right to direct the defense of such action on behalf of such Indemnified Party or Parties and such Indemnified Party or Parties shall have the right to select separate counsel (including local counsel) to defend such action on behalf of such Indemnified Party or Parties at the expense of the Indemnifying Party. After notice from the Indemnifying Party to such Indemnified Party of its election to assume the defense thereof and approval by such Indemnified Party of counsel appointed to defend such action, the Indemnifying Party will not be liable to such Indemnified Party under this Section 10 for any legal or other expenses, other than reasonable costs of investigation, subsequently incurred by such Indemnified Party in connection with the defense thereof, unless the Indemnified Party shall have employed separate counsel in accordance with the proviso to the immediately preceding sentence (it being understood, however, that in connection with such action the Indemnifying Party shall not be liable for the expenses of more than one separate counsel (in addition to local counsel) in any one action or separate but substantially similar actions in the same jurisdiction arising out of the same general allegations or circumstances, representing the Indemnified Party who are parties to such action or actions). The Indemnifying Party shall not, without the prior written consent of the Indemnified Party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the Indemnified Party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the Indemnified Party from all Liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any Indemnified Party.

10.4 The indemnity and expense reimbursement obligations set forth herein (i) shall be in addition to any Liability any of the Warrantors may otherwise have to any Indemnified Party, (ii) shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any Investor or any other Indemnified Party and (iii) shall be binding on any successor or assign of the Warrantors or their respective business and assets.

11. TERMINATION.

This Agreement may be terminated at any time prior to the Closing Date pursuant to the following:

(a) the Investor shall be entitled to terminate this Agreement by written notice to the other Parties if since the date hereof, there is any Material Adverse Effect or any development involving or reasonably expected to result in a Material Adverse Effect that could, in the Investor's sole judgment, be expected to (A) make it impracticable or inadvisable to proceed with the offering or delivery of the Subscription Shares on the terms and in the manner contemplated in this Agreement and other Transaction Documents or (B) materially impair the investment quality of the Subscription Shares;

(b) the Investor or the Company shall be entitled to terminate this Agreement by written notice to the other Parties upon any outbreak or escalation of hostilities or other national or international calamity or crisis, including acts of terrorism, or Material Adverse Effect or disruption in economic conditions in, or in the financial markets of, the United States, the European Union, the PRC or Hong Kong (it being understood that any such change or disruption shall be relative to such conditions and markets as in effect on the date hereof), if the effect of such outbreak, escalation, calamity, crisis, act or material adverse change in the economic conditions in, or in the financial markets of, the United States, the European Union, the PRC or Hong Kong could be reasonably expected to make it, in the Investor's sole judgment, impracticable or inadvisable to proceed with the consummation of the transactions on the terms and in the manner contemplated in this Agreement or the Transaction Documents;

(c) the Investor or the Company shall be entitled to terminate this Agreement by written notice to the other Parties upon the enactment, publication, decree or other promulgation after the date hereof of any applicable Law that could be reasonably expected to have a Material Adverse Effect;

(d) the Investor or the Company shall be entitled to terminate this Agreement by written notice to the other Parties upon the termination or unenforceability of other Transaction Documents, provided, however, that the right to terminate this Agreement under this subsection(d) shall not be available to the any Party whose action or failure to act has been the primary cause of or resulted in such termination or enforceability and such action or failure to act constitutes a breach of this Agreement;

(e) the Investor or the Company shall be entitled to terminate this Agreement by written notice to the other Parties if the Closing has not occurred within six (6) months after the date hereof (the "**Long Stop Date**"), which date may be extended by the Parties through mutual agreement, provided, however, that the right to terminate this Agreement under this subsection(e) shall not be available to any Party whose action or failure to act has been the primary cause of or resulted in the failure of the Closing to occur on or before the Long Stop Date and such action or failure to act constitutes a breach of this Agreement;

(f) the Investor shall be entitled to terminate this Agreement, at any time prior to the Closing Date, by written notice to the other Parties based upon (i) the Company's breach of its representations, warranties, covenants and obligations under this Agreement or the other Transaction Documents, which has or is reasonably likely to have a Material Adverse Effect on the consummation of the transactions contemplated herein or (ii) a breach of a Warrantor of any of the representations, warranties or covenants set forth in Sections 5.11.5 to 5.11.7 and Sections 7.4.5 to 7.4.7;

(g) the Company shall be entitled to terminate this Agreement by written notice to the other Parties if the Investor fails to perform its payment obligations under Section 3.5 hereof, and also fails to cure such a breach within fifteen (15) days upon its receipt of the written notice issued by the Founder claiming for such payment, which has resulted in a Material Adverse Effect.

If this Agreement is terminated in accordance with this Section 11, all obligations of the Parties hereunder shall terminate, except for the obligations set forth any provisions that expressly survive the termination of this Agreement, provided, that such termination shall not release any Party from any liability that has already accrued as of the effective date of such termination, and shall not constitute a waiver or release of, or otherwise be deemed to prejudice or adversely affect, any rights, remedies or claims, whether for damages or otherwise, which a Party may have hereunder, at law, equity or otherwise or which may arise out of or in connection with such termination.

12. SURVIVAL OF REPRESENTATIONS AND INDEMNITIES.

All the fundamental representations and warranties (including without limitation Section 5.1 to Section 5.8, Section 5.11, Section 5.13, Section 5.14, Section 5.16, Section 5.18 to Section 5.21 and Section 5.27 hereof) (the "**Fundamental Warranties**"), covenants, indemnities and contribution and expense reimbursement provisions and other agreements of any of the Warrantors set forth in this Agreement shall remain operative and in full force and effect, and will survive indefinitely after the Closing, regardless of (i) the termination of this Agreement; or (ii) any investigation, or statement as to the results thereof, made by or on behalf of the parties hereto.

Except for the Fundamental Warranties, all the other Warranties of any of the Warrantors set forth in this Agreement shall remain operative and in full force and effect, and will survive until December 31, 2021, regardless of (i) the termination of this Agreement; or (ii) any investigation, or statement as to the results thereof, made by or on behalf of the parties hereto.

13. SUBSTITUTION OF INVESTOR.

The Investor shall have the right to substitute any one of its Affiliates, respectively, as the Investor of the Subscription Shares, by written notice to the Company. Upon receipt of such notice, wherever the word "Investor(s)" is used in this Agreement (other than in this Section 13), such word shall be deemed to refer to such Affiliate in lieu of the original Investor.

14. MISCELLANEOUS

14.1 Governing Law. This Agreement shall be governed by and construed exclusively in accordance with the Laws of Hong Kong, without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the Laws of Hong Kong, to the rights and duties of the parties hereunder.

14.2 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the Parties hereto whose rights or obligations hereunder are affected by such amendments. Subject to Section 13, this Agreement and the rights and obligations therein may not be assigned by the Investor without the written consent of the Company except to the Affiliates of the Investor. This Agreement and the rights and obligations therein may not be assigned by any Warrantor without the prior written consent of the Investor.

14.3 Entire Agreement. This Agreement, together with the other Transaction Documents, including the schedules and exhibits hereto and thereto, which are hereby expressly incorporated herein by this reference, constitute the entire understanding and agreement between the Parties with regard to the subjects hereof and thereof; provided, however, that nothing in this Agreement or any other Transaction Document shall be deemed to terminate or supersede the provisions of any confidentiality and nondisclosure agreements executed by the Parties hereto prior to the date hereof, which agreements shall continue in full force and effect until terminated in accordance with their respective terms.

14.4 Notices. Except as may be otherwise provided herein, all notices, requests, waivers and other communications made pursuant to this Agreement shall be in writing and shall be conclusively deemed to have been duly given (a) when hand delivered to the other Party, upon delivery; (b) when sent by facsimile at the number set forth in Exhibit XI hereto, upon receipt of confirmation of error-free transmission; (c) seven (7) Business Days after deposit in the mail as air mail or certified mail, receipt requested, postage prepaid and addressed to the other Party as set forth in Exhibit IX; or (d) three (3) Business Days after deposit with an overnight delivery service, postage prepaid, addressed to the Parties as set forth in Exhibit IX with next-business-day delivery guaranteed, provided that the sending Party receives a confirmation of delivery from the delivery service provider. Each Person making a communication hereunder by facsimile shall promptly confirm by telephone to the Person to whom such communication was addressed each communication made by it by facsimile pursuant hereto but the absence of such confirmation shall not affect the validity of any such communication. A Party may change or supplement the addresses given above, or designate additional addresses, for purposes of this Section 14.4 by giving, the other Party written notice of the new address in the manner set forth above.

14.5 Amendments. Any term of this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only with a written instrument duly executed by the Company and the Investor. Any amendment or waiver effected in accordance with this Section 14.5 shall be binding upon each Party and its assigns.

14.6 Delays or Omissions; Waivers. No delay or omission to exercise any right, power or remedy accruing to any Party hereto, upon any breach or default of any Party hereto under this Agreement, shall impair any such right, power or remedy of such Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach of default thereafter occurring; nor shall any waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit or Approval of any kind or character on the part of any Party of any condition or breach of default under this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by Laws or otherwise afforded to any Party shall be cumulative and not alternative.

14.7 Interpretation; Titles and Subtitles. This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this Agreement. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. Unless otherwise expressly provided herein, all references to Sections, Schedules and Exhibits herein are to Sections, Schedules and Exhibits of this Agreement. Unless a provision hereof expressly provides otherwise: (i) the term "or" is not exclusive; (ii) the terms "herein", "hereof", and other similar words refer to this Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other subdivision; and (iii) the masculine, feminine, and neuter genders will each be deemed to include the others.

14.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

14.9 Severability. If any provision of this Agreement is found to be invalid or unenforceable, then such provision shall be construed, to the extent feasible, so as to render the provision enforceable and to provide for the consummation of the transactions contemplated hereby on substantially the same terms as originally set forth herein, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or benefits intended by the Parties. In such event, the Parties shall use best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the Parties' intent in entering into this Agreement.

14.10 Joint and several liability. All obligations and liabilities of, and indemnities given by, the Warrantors pursuant to this Agreement and the Transaction Documents shall be joint and several.

14.11 Confidentiality and Non-Disclosure.

14.11.1 Disclosure of Terms. The terms and conditions of this Agreement and the Transaction Documents and all exhibits and schedules attached to such agreements, including their existence, and any information relating to the business, financial or other matters of the Group Companies obtained by the Investor (collectively, the "**Confidential Information**"), shall be considered confidential information and shall not be disclosed by any Party hereto to any third party except in accordance with the provisions set forth below; provided that such Confidential Information shall not include any information that is in the public domain other than caused by the breach of the confidentiality obligations hereunder.

14.11.2 Press Releases, etc. Any press release issued by the Company shall not disclose any of the Confidential Information and the final form of such press release shall be approved in advance in writing by the Investor. No other announcement regarding any of the Confidential Information in a press release, conference, advertisement, announcement, professional or trade publication, mass marketing materials or otherwise to the general public may be made without the prior written consent of the Investor.

14.11.3 Permitted Disclosures. Notwithstanding the foregoing, any Party may disclose any of the Confidential Information to its current or bona fide prospective investors, employees, investment bankers, lenders, partners, accountants and attorneys, in each case only where such persons or entities are under appropriate nondisclosure obligations. Without limiting the generality of the foregoing, the Investor shall be entitled to disclose the Confidential Information for the purposes of fund reporting or inter-fund reporting or to its fund manager, other funds managed by its Affiliates, fund manager and its auditors, counsel, directors, officers, employees, shareholders or investors.

14.11.4 Legally Compelled Disclosure. In the event that any Party is requested or becomes legally compelled (including without limitation, pursuant to securities laws and regulations) to disclose the existence of this Agreement, other Transaction Documents, any of the exhibits and schedules attached to such agreements, or any of the Confidential Information in contravention of the provisions of this Section 14.11, such Party (the "**Disclosing Party**") shall provide the other Parties (the "**Non-Disclosing Parties**") with prompt written notice of that fact and use all reasonable efforts to seek (with the cooperation and reasonable efforts of the other Parties) a protective order, confidential treatment or other appropriate remedy. In such event, the Disclosing Party shall furnish only that portion of the information which is legally required to be disclosed and shall exercise reasonable efforts to keep confidential such information to the extent reasonably requested by any Non-Disclosing Party.

14.11.5 Other Information. The provisions of this Section 14.11 shall be in addition to, and not in substitution for, the provisions of any separate nondisclosure agreement executed by any of the Parties with respect to the transactions contemplated hereby.

14.11.6 Affiliates. Each Party shall cause each of its Affiliates to comply with all of the restrictions, limitations and obligations set forth in this Section 14.11 as if it were a party hereto.

14.12 Further Assurances. Each Party shall from time to time and at all times hereafter make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents and assurances without further consideration, which may reasonably be required to effect the transactions contemplated by this Agreement and the Transaction Documents.

14.13 Dispute Resolution. The Parties agree to negotiate in good faith to resolve any dispute between them regarding this Agreement. If the negotiations do not resolve the dispute to the reasonable satisfaction of all Parties within thirty (30) days after the commencement of the negotiation, such dispute shall be referred to and finally settled by arbitration at Hong Kong International Arbitration Centre ("**HKIAC**"). The arbitration shall be conducted in Hong Kong and shall be administered by the HKIAC in accordance with the HKIAC Administered Arbitration Rules in force at the time of the commencement of the arbitration. However, if such rules are in conflict with the provisions of this Section 14.13, the provisions of this Section 14.13 shall prevail. The dispute shall be referred to an arbitration tribunal consisting of three arbitrators appointed in accordance with the HKIAC Administered Arbitration Rules. The decision of the tribunal shall be final and binding on the Parties, and the prevailing Party may apply to a court of competent jurisdiction for enforcement of such award. The costs and expenses of the arbitration, including the fees of the arbitral tribunal, shall be borne and paid by the Parties in such proportions as the arbitral tribunal shall determine. The language of the arbitration shall be English.

14.14 Expenses.

14.14.1 If (x) the Closing has occurred, or (y) the Agreement is terminated for one of the reasons set out below, the Company shall reimburse the Investor all fees and expenses (including any legal fees, accountant's fees, or professional advisor's fees) incurred by the Investor in connection with the negotiation, execution, delivery and performance of the Transaction Documents, provided that such fees and expenses shall not exceed US$500,000 in aggregate:

(a) if there has been a breach by a Warrantor of Section 7.17; or

(b) the failure by the Company to disclose any information of any Group Company to the Investor which might affect the willingness of a prudent investor to consummate the transactions as contemplated hereunder or the amount of consideration which the Investor would be prepared to pay for the Subscription Shares.

14.14.2 If this Agreement is terminated for any reason other than as set out in Section 14.14.1, all fees and expenses incurred by the Investor shall be borne by the Investor.

14.14.3 The Company shall pay forthwith all fees and expenses directly to any party which has been engaged by the Investor for the purposes of its investment in the Company if such fees and expenses have not been paid by the Investor to such party.

14.14.4 Any fees and expenses to be reimbursed by the Company to the Investor pursuant to this Section 14.14 shall be payable by the Company within fifteen (15) days after the Closing Date or the delivery of such termination notice (as the case may be).

14.14.5 The provisions of this Section 14.14 shall survive any termination of this Agreement.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE COMPANY:

Q&K INTERNATIONAL GROUP LIMITED

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Chief Executive Officer

THE BVI SUBSIDIARY:

QK365.COM INC.

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Sole Director

THE US SUBSIDIARY I:

QK365.COM INC.

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Sole Director

THE US SUBSIDIARY II:

JERSEY STANDARD INC.

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Sole Director

THE HK SUBSIDIARY:

QINGKE (CHINA) LIMITED

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Sole Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE WFOE:

Q&K INVESTMENT CONSULTING CO., LTD. (□□□□□□□□□□)
(Sealed)

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Legal Representative

[SIGNATURE PAGE TO SERIES C-1 PREFERRED SHARE SUBSCRIPTION AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE DOMESTIC COMPANY:

SHANGHAI QINGKE ELECTRICS COMMERCE CO., LTD. (□□□□□□□□□□□□)
(Sealed)

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Legal Representative

QINGKE CHUANGYI:

SHANGHAI QINGKE CHUANGYI INDUSTRIAL SUPPORTING PROPERTY MANAGEMENT CO., LTD. (□□□□□□□□□□□□□□□□□□□□)
(Sealed)

By: /s/ Qiong Hong
Name: Qiong Hong (□□)
Title: Legal Representative

SUZHOU QINGKE:

SUZHOU QINGKE INFORMATION TECHNOLOGY CO., LTD. (□□□□□□□□□□□□□)
(Sealed)

By: /s/ Qiong Hong
Name: Qiong Hong (□□)
Title: Legal Representative

BEIJING QINGKE:

BEIJING QINGKE PROPERTY MANAGEMENT CO., LTD. (□□□□□□□□□□□□□)
(Sealed)

By: /s/ Rufeng Teng
Name: Rufeng Teng (□□□)
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

LINGQING PROPERTY:

SHANGHAI LINGQING PROPERTY MANAGEMENT CO., LTD. (□□□□□□□□□□□□)
(Sealed)

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Legal Representative

MINQING PROPERTY:

SHANGHAI MINQING PROPERTY SERVICE CO., LTD. (□□□□□□□□□□□□)
(Sealed)

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Legal Representative

TANGQING PROPERTY:

SHANGHAI TANGQING PROPERTY MANAGEMENT CO., LTD. (□□□□□□□□□□□□)
(Sealed)

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Legal Representative

QINGTENG INVESTMENT:

SHANGHAI QINGTENG INVESTMENT MANAGEMENT LLP (□□□□□□□□□□(□□□□)
(Sealed)

By: /s/ Guiying Song
Name: Guiying Song (□□□)
Title: Designated Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

QINGKE PUBLIC RENTAL:

SHANGHAI QINGKE PUBLIC RENTAL HOUSING LEASEHOLD OPERATION AND MANAGEMENT COMPANY LIMITED BY SHARE (□□□□□□□□□□□□□□□□□□□□□□□□□□)
(Sealed)

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Legal Representative

GUQING PROPERTY:

SHANGHAI GUQING PROPERTY MANAGEMENT CO., LTD. (□□□□□□□□□□□□□□)
(Sealed)

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Legal Representative

QINGKE EQUIPMENT RENTAL:

SHANGHAI QINGKE EQUIPMENT RENTAL CO., LTD. (□□□□□□□□□□□□□□)
(Sealed)

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Legal Representative

BEIJING QINGKE INVESTMENT:

BEIJING QINGKE INVESTMENT CONSULTING CO., LTD. (□□□□□□□□□□□□□□)
(Sealed)

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

BAOSHAN PUBLIC RENTAL:

SHANGHAI BAOSHAN QINGKE PUBLIC RENTAL LEASED HOUSING OPERATION AND MANAGEMENT CO., LTD. (□□□□□□□□□□□□□□□□□□□□□□)
(Sealed)

By: /s/ Rufeng Teng
Name: Rufeng Teng (□□□)
Title: Legal Representative

JIAXING PUBLIC RENTAL:

JIAXING QINGKE PUBLIC RENTAL HOUSING LEASEHOLD INVESTMENT MANAGEMENT COMPANY LIMITED BY SHARE (□□□□□□□□□□□□□□□□□□□□□□□□)
(Sealed)

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Legal Representative

HANGZHOU QINGKE:

HANGZHOU QINGKE APARTMENT MANAGEMENT CO., LTD. (□□□□□□□□□□□□□)
(Sealed)

By: /s/ Rufeng Teng
Name: Rufeng Teng (□□□)
Title: Legal Representative

GUANGZHOU QINGKE:

GUANGZHOU QINGKE APARTMENT HOTEL MANAGEMENT CO., LTD. (□□□□□□□□□□□□□□□□)
(Sealed)

By: /s/ Rufeng Teng
Name: Rufeng Teng (□□□)
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

TIANJIN QINGKE:

TIANJIN QINGKE APARTMENT MANAGEMENT CO., LTD. (□□□□□□□□□□□□)
(Sealed)

By: /s/ Rufeng Teng
Name: Rufeng Teng (□□□)
Title: Legal Representative

CHENGDU QINGKE:

CHENGDU QINGKE APARTMENT MANAGEMENT CO., LTD. (□□□□□□□□□□□□)
(Sealed)

By: /s/ Rufeng Teng
Name: Rufeng Teng (□□□)
Title: Legal Representative

NANJING QINGKE:

NANJING QINGKE APARTMENT MANAGEMENT CO., LTD.
(□□□□□□□□□□□□)
(Sealed)

By: /s/ Rufeng Teng
Name: Rufeng Teng (□□□)
Title: Legal Representative

HEFEI QINGKE:

HEFEI QINGKE PROPERTY MANAGEMENT CO., LTD. (□□□□□□□□□□□□)
(Sealed)

By: /s/ Rufeng Teng
Name: Rufeng Teng (□□□)
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

XIAMEN QINGKE:

XIAMEN QINGKE APARTMENT MANAGEMENT CO., LTD. (□□□□□□□□□□□□)
(Sealed)

By: /s/ Rufeng Teng
Name: Rufeng Teng (□□□)
Title: Legal Representative

WUHAN QINGKE:

WUHAN QINGKE APARTMENT HOTEL MANAGEMENT CO., LTD. (□□□□□□□□□□□□□□□)
(Sealed)

By: /s/ Rufeng Teng
Name: Rufeng Teng (□□□)
Title: Legal Representative

JIAXING QINGKE TALENT APARTMENT:

JIAXING QINGKE TALENT APARTMENT CONSTRUCTION AND DEVELOPMENT CO., LTD. (□□□□□□□□□□□□□□□□□)
(Sealed)

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Legal Representative

JIAXING HUICAI:

JIAXING HUICAI PROPERTY MANAGEMENT CO., LTD. (□□□□□□□□□□□□)
(Sealed)

By: /s/ Zhaochun Zheng
Name: Zhaochun Zheng (□□□)
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE FOUNDER:

/s/ Guangjie Jin

JIN Guangjie

THE HOLDING COMPANY:

BILL.COM INC.

By: /s/ Guangjie Jin

Name: JIN Guangjie

Title: Sole Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

CP QK Singapore Pte Ltd.

By: /s/ Lawrence Lim
Name: Lawrence Lim
Title: Authorized Signatory

[SIGNATURE PAGE TO SERIES C-1 PREFERRED SHARE SUBSCRIPTION AGREEMENT]

EXHIBITS

EXHIBIT I

PART I: DEFINITIONS

"**Action**"	means an action, suit, proceeding, claim, arbitration or investigation.
"**Additional ESOP Shares**"	means 5,175,000 additional Class A Ordinary Shares to be reserved for ESOP immediately prior to the Closing.
"**Adjustment Shares**"	has the meaning given in Section 4.2(a)(iv).
"**Affiliate**"	of a given Person means, (i) in the case of a Person other than a natural person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with, such given Person, or (ii) in the case of a natural person, any other Person that directly or indirectly is Controlled by such given Person or is a Family Member of such given Person. For the avoidance of doubt, the Affiliates of the Group Companies shall, among others, include the Qingke Shishang Group Companies.
"**Agreement**"	has the meaning given in the Recitals.
"**Anti-Corruption Laws**"	means any applicable Law, including, but not limited to, the Foreign Corrupt Practices Act of the United States (15 U.S.C. §§ 78dd-1, et seq.), as amended, or any similar Laws of any Governmental Authority, regarding any contribution, gift, bribe, rebate, payoff, influence payment, kickback, or other payment to any Government Official, regardless of form, whether in money, property, or services.
"**Approval**"	means any approval, authorization, release, order, or consent required to be obtained from, or any registration, qualification, designation, declaration, filing, notice, statement or other communication required to be filed with or delivered to, any Governmental Authority or any other Person.
"**Anti-Money Laundering Laws**"	has the meaning given in Section 5.11.6.
"**Balance Sheet Date**"	means December 31, 2017.
"**Baoshan Public Rental**"	has the meaning given in Exhibit III.
"**Beijing Qingke**"	has the meaning given in Exhibit III.
"**Beijing Qingke Investment**"	has the meaning given in Exhibit III.
"**Big-Four Accounting Firm**"	means any of KPMG, PricewaterhouseCoopers (PwC), Deloitte Touche Tohmatsu (Deloitte) and Ernst & Young (EY).

"**Board**"	means the board of directors of the Company.
"**Business Day**"	means a day (other than a Saturday or a Sunday) that the banks in Hong Kong, the PRC, or the City of New York are generally open for business.
"**BVI**"	means the British Virgin Islands.
"**BVI Subsidiary**"	has the meaning given in the Recitals.
"**CFC**"	has the meaning given in Section 5.18.10.
"**Chengdu Qingke**"	has the meaning given in Exhibit III.
"**Circular 37**"	means Circular 37, issued by SAFE on July 4, 2014, titled "the Notice on Relevant Issues Concerning Foreign Exchange Administrative for Domestic Residents to Engage in Overseas Investment and Financing and Round Trip Investment via Special Purpose Vehicles," effective as of July 4, 2014.
"**Class A Ordinary Shares**"	means the Company's class A ordinary shares, par value US$0.00001 per share.
"**Class B Ordinary Shares**"	means the Company's class B ordinary shares, par value US$0.00001 per share.
"**Closing**"	means the consummation of the issuance and subscription of the Subscription Shares as contemplated under this Agreement.
"**Closing Account**"	has the meaning given in Section 3.2.
"**Closing Date**"	means the date on which the Closing occurs as contemplated under this Agreement.
"**Code**"	means the US Internal Revenue Code of 1986, as amended.
"**Company**"	has the meaning given in the Recitals.
"**Competes**"	with any Group Company means a Person, directly or indirectly, owns, manages, engages in, operates, controls, works for, consults with, renders services for, does business with, maintains any interest in (proprietary, financial or otherwise) or participates in the ownership, management, operation or control of, any Restricted Business, whether in corporate, proprietorship or partnership form or otherwise; provided, however, that such restrictions shall not apply to the acquisition by such Person, directly or indirectly, of less than 2% of the outstanding shares of any publicly traded company engaged in a Restricted Business.
"**Confidential Information**"	has the meaning given in Section 14.11.1.

"**Constitutional Documents**"	means the constitutional documents of the respective Group Company which may include, as applicable, memoranda and articles of association, by-laws, joint venture contracts and the like.
"**Contracts**"	means legally binding contracts, agreements, engagements, purchase orders, commitments, understandings, indentures, notes, bonds, loans, instruments, leases, mortgages, franchises, licenses or any other contractual arrangements or obligations, which are currently subsisting and not terminated or completed (with each of such Contracts being referred to as a "**Contract**").
"**Control**"	of a given Person means the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, contractual arrangement or otherwise, which power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to control the composition of the board of directors or similar governing body of such Person; and the term "**Controlled**" has the meaning correlative to the foregoing.
"**Control Documents**"	means the following contracts entered into by the WFOE, the Domestic Company and other parties thereto pursuant to the Restructuring Plan, as applicable, collectively: (i) Exclusive Technology Service Agreements (□□□□□□□□), (ii) Exclusive Call Option Agreement (□□□□□□□), (iii) Voting Rights Proxy Agreements (□□□□□□□□□), and (iv) Equity Pledge Agreement (□□□□□□).
"**Conversion Shares**"	means the Ordinary Shares of the Company issuable upon conversion of the Subscription Shares or the Adjustment Shares.
"**Damages**"	has the meaning given in Section 10.1.
"**Disclosing Party**"	has the meaning given in Section 14.11.4.
"**Domestic Company**"	has the meaning given in the Recitals.
"**Domestic Resident**"	has the meaning set forth in Circular 37 and/or other Law related to Circular 37.
"**Employment-Related Agreement**"	means an employment agreement containing confidentiality, non-compete and invention assignment provisions, or a set of agreements entered into by an employee of a Group Company (including any Key Employee, current or future employee, officer and consultant) with respect to his or her employment with such Group Company, in form and substance satisfactory to the Investor.

"**Equity Securities**"	means, with respect to a given Person, any share, share capital, registered capital, ownership interest, partnership interest, equity interest, joint venture or other ownership interest of such Person, or any option, warrant, or right to subscribe for, acquire or purchase any of the foregoing, or any other security or instrument convertible into or exercisable or exchangeable for any of the foregoing, or any equity appreciation, phantom equity, equity plan or similar right with respect to such Person, or any Contract of any kind for the purchase or acquisition from such Person of any of the foregoing, either directly or indirectly.
"**ESOP**"	means a share incentive plan or other similar arrangements of the Company to be approved by the board of directors of the Company after the Closing pursuant to the Shareholders Agreement.
"**EU**"	has the meaning given in Section 5.11.7(a)1.
"**Financial Statements**"	means the following financial statements, including the related notes and schedules thereto: (i) the consolidated financial statements for the Group Companies as of the Balance Sheet Date prepared by a Big-Four Accounting Firm approved by the Investor, and (ii) the unaudited consolidated balance sheet and the related consolidated statements of income and cash flows for the Company and the unaudited balance sheet and the related statements of income and cash flows for each of the Group Companies as of January 31, 2018.
"**Founder**"	has the meaning given in the Recitals.
"**Fundamental Warranties**"	has the meaning given in Section 12.
"**Government Official**"	means any officer, employee or other Person acting in an official capacity for any Governmental Authority, to any political party or official thereof or any candidate for any political office.
"**Governmental Authority**"	means any nation, government, province, state, or any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of any government or any political subdivision thereof, court, tribunal, arbitrator, the governing body of any securities exchange, and self-regulatory organization, in each case having competent jurisdiction.
"**Group Companies**"	means, collectively, the Company, the BVI Subsidiary, the US Subsidiaries, the HK Subsidiary, the PRC Subsidiaries and any other Subsidiaries of the foregoing, with each of such Group Companies being referred to as a "**Group Company**".

"**Guangzhou Qingke**"	has the meaning given in Exhibit III.
"**Guqing Property**"	has the meaning given in Exhibit III.
"**Hangzhou Qingke**"	has the meaning given in Exhibit III.
"**Hefei Qingke**"	has the meaning given in Exhibit III.
"**HK Subsidiary**"	has the meaning given in the Recitals.
"**HKIAC**"	has the meaning given in Section 14.13.
"**HMT**"	has the meaning given in Section 5.11.7(a)1.
"**Holding Company**"	has the meaning given in the Recitals.
"**Hong Kong**"	means Hong Kong Special Administrative Region of the PRC.
"**Huarui Bank**"	means Shanghai Huarui Bank Co., Ltd.(□□□□□□□□□□□□□).
"**Huarui Warrant**"	means, the warrant entitled Huarui Bank to purchase certain number of Ordinary Shares issued by the Company pursuant to a Certificate and Undertaking of Shares Warrant (□□□□□□□□□□□□) executed by Qingke Public Rental at the subscription price of US$0.25 per share.
"**Huarui Warrant Shares**"	means, 8,917,557 Class A Ordinary Shares issuable upon exercise by Huarui Bank of the subscription right attaching to the Huarui Warrant.
"**Indemnification Agreement**"	means the Director Indemnification Agreement the form of which is attached hereto as Exhibit X, as amended from time to time.
"**Indemnified Party**"	has the meaning given in Section 10.1.
"**Indemnifying Party**"	has the meaning given in Section 10.1.
"**Interested Party**"	means a Founder, any shareholder, director, officer or employee of a Group Company, or any Affiliate of the foregoing.
"**Investor**"	has the meaning given in the Recitals.
"**Jiaxing Huicai**"	has the meaning given in Exhibit III.
"**Jiaxing Public Rental**"	has the meaning given in Exhibit III.
"**Jiaxing Qingke Talent Apartment**"	has the meaning given in Exhibit III.

"**Key Employee**"	means the employees of the Group Companies as set forth in Exhibit VIII hereto.
"**Knowledge**"	means the actual or constructive knowledge of a Person after due and diligent inquiries of officers, directors and other employees of such Person reasonably believed to have knowledge of the matter in question.
"**Law**"	means any law, rule, constitution, code, ordinance, statute, treaty, decree, regulation, common or customary law, order, official policy, circular, provision, administrative order, interpretation, injunction, judgment, ruling, assessment, writ or other legislative measure of any Governmental Authority.
"**Liability**" or "**Liabilities**"	means, with respect to any Person, all liabilities, obligations and commitments of such Person of any nature, whether accrued, absolute, contingent or otherwise, and whether due or to become due.
"**Lien**"	means any mortgage, pledge, security interest, encumbrance, title defect, lien, charge, restriction, covenant, other limitation, Liability or claim of any kind whatsoever.
"**Lingqing Property**"	has the meaning given in Exhibit III.
"**Long Stop Date**"	has the meaning given in Section 11(e).
"**Management**"	has the meaning given in Section 4.2(a)(v).
"**Management Adjustment Shares**"	has the meaning given in Section 4.2(a)(v).
"**Material Adverse Effect**"	means fact, event, change, circumstance, or effect that causes, or is reasonably likely to cause, a material adverse effect on the operations, results of operations, condition (financial or otherwise), assets, Liabilities, employees or business of any Group Company (as presently conducted and proposed to be conducted) or on the ability of any Group Company to perform its material obligations under any Transaction Document to which it is a party or on the enforceability of any Transaction Document against any Group Company, either individually or when taken together with other effects.
"**Material Contracts**"	has the meaning given in Section 5.9.1.
"**Minqing Property**"	has the meaning given in Exhibit III.
"**Nanjing Qingke**"	has the meaning given in Exhibit III.
"**Non-compete Letter**"	means the Non-compete Letter the form of which is attached hereto as Exhibit VII, as amended from time to time.
"**Non-Disclosing Parties**"	shall be defined as in Section 14.11.4.

"**OFAC**"	has the meaning given in Section 5.11.7(a)1.
"**Operating Company**" or "**Operating Companies**"	means collectively, the Domestic Company and its Subsidiaries.
"**Ordinary Shares**"	means collectively, the Company's Class A Ordinary Shares and Class B Ordinary Shares.
"**Party**" or "**Parties**"	has the meaning given in the Recitals.
"**Person**"	means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise, entity or legal person.
"**PFIC**"	has the meaning given in Section 5.18.10.
"**PRC**"	means the People's Republic of China, excluding Hong Kong, Taiwan and Macau Special Administrative Region.
"**PRC GAAP**"	means the generally accepted accounting principles of the PRC.
"**PRC Subsidiaries**"	means the WFOE, the Domestic Company, Qingke Chuangyi, Suzhou Qingke, Minqing Property, Tangqing Property, Qingteng Investment, Qingke Public Rental, Guqing Property, Qingke Equipment Rental, Baoshan Public Rental, Jiaxing Public Rental, Hangzhou Qingke, Guangzhou Qingke, Beijing Qingke, Beijing Qingke Investment, Tianjin Qingke, Chengdu Qingke, Nanjing Qingke, Hefei Qingke, Xiamen Qingke, Wuhan Qingke, Jiaxing Qingke Talent Apartment, Jiaxing Huicai and any other current and future corporation, company (including any limited liability company), association, partnership, joint venture or other business entity from time to time organized and existing under the law of the PRC (i) which is a Subsidiary of the Company or (ii) whose financial reporting is consolidated with the Company or its Subsidiary in any of their audited financial statements, with each of such PRC Subsidiaries being referred to as a "**PRC Subsidiary**".
"**Preferred Shares**"	means the preferred shares of par value of US$0.00001 each in the authorised share capital of the Company including without limitation the Series C-1 Shares, the Series C Shares, the Series B Shares and Series A Shares or any of the foregoing shares as the context may require.
"**Principal Business**"	means the business of (i) online and offline house rental and house trust; (ii) online and offline rental of household appliance and furniture; (iii) online and offline rental (long-term) information service; (iv) internet value-added services; (v) platform business; (vi) property management business and any other businesses related to businesses above.
"**Proposal**"	has the meaning given in Section 7.17.

"**Proprietary Assets**"	means (i) all inventions and patents, together with all applications, reissuances, continuations, revisions, and extensions thereof, (ii) all registered and material unregistered trademarks, service marks, trade dress, logos, trade names and corporate names and domain names, together with all translations, adaptations, derivations and combinations thereof and including all goodwill and all applications, registrations and renewals in connection therewith, (iii) all copyrightable works (including, without limitation, all works of authorship, works made for hire and mask works), all copyrights (together with all applications, registrations and renewals in connection therewith) and all material unregistered copyrights, (iv) all trade secrets and confidential business information (including ideas, know-how, formulas, compositions, manufacturing and production processes and techniques, methods, technology, technical data, designs, drawings, flowcharts, diagrams, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals), (v) all Software, (vi) all other proprietary rights, (vii) all licenses, sublicenses, agreements, consents or permissions related to the foregoing, (viii) all media on which any of the foregoing is stored or all documentation related to any of the foregoing and (viii) any of the above reflected in the balance sheets of the Financial Statements and in the asset list attached to the Restructuring Plan and the Qingke Robot Assets Purchase Plan.
"**QEF Election**"	has the meaning given in Section 7.6.2.
"**Qingke Chuangyi**"	has the meaning given in Exhibit III.
"**Qingke Equipment Rental**"	has the meaning given in Exhibit III.
"**Qingke Public Rental**"	has the meaning given in Exhibit III.
"**Qingke Robot**"	means Shanghai Qingke Robot Technology Co., Ltd. (□□□□□□□□□□□□□□□□)
"**Qingke Robot Assets Purchase Plan**"	means the Qingke Robot Assets Purchase Plan as set out in Exhibit XI of this Agreement
"**Qingke Shishang**"	means Shanghai Qingke Shishang Living Service Company Limited by Shares (□□□□□□□□□□□□□□□□□□).
"**Qingke Shishang Group Companies**"	means, collectively, Qingke Shishang and any of its Subsidiaries prior to the Restructuring (including but not limited to Qingke Chuangyi, Suzhou Qingke, Minqing Property, Tangqing Property, Shanghai Qingteng Investment, Qingke Public Rental and Guqing Property), with each of such Qingke Shishang Group Companies being referred to as a "**Qingke Shishang Group Company**".

"**Qingteng Investment**"	has the meaning given in Exhibit III.
"**QIPO**"	means a firm commitment underwritten public offering of the Ordinary Shares (or securities representing such Ordinary Shares) on an internationally recognized securities exchange or board (whether in the United States or in another jurisdiction) as may be approved by the Investor: (i) pursuant to which all Shares converted from the Preferred Shares will become listed and publicity tradable; (ii) with a pre-offering market capitalization of the Company of US$800,000,000 or more (on a fully diluted basis); and (iii) where such public offering results in proceeds to the Company in excess of US$160,000,000, after deducting all expenses of the public offering, including but not limited to underwriters fees, legal expenses, auditors fees and other third party expenses, *provided*, *however*, subject to the provisions set forth in the Shareholders Agreement and the Restated Articles, if all the directors appointed by the holders of the Series A Shares, Series B Shares and Series C Shares have reached consensus on the plan of an initial public offering, the Investor agrees to waive (ii) and (iii) above to the extent that such agreed initial public offering shall (x) have a pre-offering market capitalization of the Company of no lower than US$600,000,000 (on a fully diluted basis); and (y) result in proceeds to the Company in excess of 20% of the pre-offering market capitalization (after deducting all expenses), which shall be no lower than US$120,000,000.
"**Relief**"	includes any relief, loss, allowance, exemption, set-off, deduction or credit in computing or against profits or Tax available to any Group Company granted by or pursuant to any legislation, rules, regulations and codes and any subsidiary rules or provisions issued concerning or otherwise relating to Tax.
"**Replacement Auditor**"	has the meaning given in Section 4.2(a)(ii).
"**Restated Articles**"	means the amended and restated Memorandum and Articles substantially in the form as attached hereto as Exhibit V.
"**Restricted Business**"	means any business that is related to the Principal Business or otherwise competes with the Group Companies.
"**Restructuring**"	means a series of transactions and corporate actions (including but not limited to the transfer of certain properties, assets and contract rights) between the Group Companies and the Qingke Shishang Group Companies as contemplated under the Restructuring Plan.

"**Restructuring Plan**"	means the restructuring plan of the Group Companies as set forth in Exhibit XI of the share purchase agreement relating to the purchase of the Series B Shares dated April 21, 2015.
"**RMB**"	means the lawful currency of the PRC from time to time.
"**SAFE**"	means the State Administration of Foreign Exchange of the PRC and its local branches.
"**SAFE Rules and Regulations**"	means Circular 37, and any other guidelines, implementing rules, reporting and registration requirements issued by SAFE.
"**Sanctions**"	has the meaning given in Section 5.11.7(a)1.
"**Securities Act**"	means the US Securities Act of 1933, as amended and interpreted from time to time.
"**Series A-1 Shares**"	means the Company's series A-1 preferred shares, par value US$0.00001 per share.
"**Series A-2 Shares**"	means the Company's series A-2 preferred shares, par value US$0.00001 per share.
"**Series A-3 Shares**"	means the Company's series A-3 preferred shares, par value US$0.00001 per share.
"**Series A Shares**"	means, collectively, the Company's series A-1 Shares, Series A-2 Shares and Series A-3 Shares.
"**Series B Shares**"	means, the Company's series B preferred shares, par value 0.00001 per share.
"**Series C Shares**"	means, the Company's series C preferred shares, par value 0.00001 per share.
"**Series C-1 Shares**"	means, the Company's Series C-1 preferred shares, par value 0.00001 per share.
"**Shareholders Agreement**"	means the Shareholders Agreement substantially in the form as attached hereto as Exhibit IV, as amended from time to time.
"**Social Security Funds**"	means all employee social welfare and benefit funds, including housing accumulation funds, required to be contributed by the PRC Subsidiaries under applicable PRC Laws.
"**Software**"	means computer programs, including any and all software implementation of algorithms, models and methodologies (whether in source code or object code), databases and compilations (including any and all data and collections of data), and all related documentation.
"**Subscription Price**"	has the meaning given in Section 2.

"**Subscription Shares**"	has the meaning given in Section 2.
"**Subsidiary**"	means, (i) in respect of any Person, any corporation, company (including any limited liability company), association, partnership, joint venture or other business entity of which at least a majority of the total voting power of the voting stock is at the time owned or controlled (including contractual control), directly or indirectly, by: (a) such Person, (b) such Person and one or more Subsidiaries of such Person, or (c) one or more Subsidiaries of such Person. and (ii) in respect of the Company, any of its PRC Subsidiaries in addition to any Subsidiary described above, any Person Controlled directly or indirectly by any of the foregoing and any Person whose financial statements are consolidated into those of the Company under the applicable accounting standards.
"**Suzhou Qingke**"	has the meaning given in Exhibit III.
"**Tangqing Property**"	has the meaning given in Exhibit III.
"**Tax Return**"	means any return, report or statement showing Taxes, used to pay Taxes, or required to be filed with respect to any Tax (including any elections, declarations, schedules or attachments thereto, and any amendment thereof), including any information return, claim for refund, amended return or declaration of estimated or provisional Tax.
"**Tax**" or "**Taxes**"	means (i) any national, provincial, municipal, or local taxes, charges, fees, levies, or other assessments, including, without limitation, all net income (including enterprise income tax and individual income withholding tax), turnover (including value-added tax, business tax, and consumption tax), resource (including urban and township land use tax), special purpose (including land value-added tax, urban maintenance and construction tax, and additional education fees), property (including urban real estate tax and land use fees), documentation (including stamp duty and deed tax), filing, recording, social insurance (including pension, medical, unemployment, housing, and other social insurance withholding), tariffs (including import duty and import value-added tax), and estimated and provisional taxes, charges, fees, levies, or other assessments of any kind whatsoever, (ii) all interest, penalties (administrative, civil or criminal), or additional amounts imposed by any Governmental Authority in connection with any item described in (i) above, (iii) any form of transferee Liability imposed by any Governmental Authority in connection with any item described in (i) and (ii) above, and (iv) all similar Liabilities as described in the foregoing.

"**Tianjin Qingke**"	has the meaning given in Exhibit III.
"**Transaction Documents**"	means, collectively, this Agreement, the Shareholders Agreement, the Restated Articles, the Indemnification Agreement, the Non-compete Letter, and all ancillary documents as referred to in such documents.
"**UNSC**"	has the meaning given in Section 5.11.7(a)1.
"**Updated Disclosure Schedule**"	has the meaning given in Section 7.26.
"**US" or "United States**"	means the United States of America.
"**US$**"	means the lawful currency of the United States from time to time.
"**US GAAP**"	means the generally accepted accounting principles of the United States.
"**US Subsidiaries**"	has the meaning given in the Recitals.
"**US Subsidiary I**"	has the meaning given in the Recitals.
"**US Subsidiary II**"	has the meaning given in the Recitals.
"**Warranties**"	means the representations and warranties set out in Section 4 given by the Warrantors and any other representations or warranties made by or on behalf of the Warrantors in this Agreement or which have become terms of this Agreement (with each of such Warranties being referred to as a "**Warranty**").
"**Warrantors**"	means, collectively, the Group Companies, the Founder and the Holding Company.
"**WFOE**"	has the meaning given in the Recitals.
"**Wuhan Qingke**"	has the meaning given in Exhibit III.
"**Xiamen Qingke**"	has the meaning given in Exhibit III.

PART II: INTERPRETATION

1. Share Calculation. In calculations of share numbers, (i) references to a "fully diluted basis" mean that the calculation is to be made assuming that all outstanding options, warrants and other Equity Securities convertible into or exercisable or exchangeable for Ordinary Shares (whether or not by their terms then currently convertible, exercisable or exchangeable) have been so converted, exercised or exchanged, (ii) references to a "non-diluted basis" mean that the calculation is to be made not taking into account the Additional ESOP Shares and the Huarui Warrant Shares, and (iii) references to an "as converted basis" mean that the calculation is to be made assuming that all Preferred Shares in issue have been converted into Ordinary Shares. All calculations shall be deemed to be on a fully diluted and as converted basis unless otherwise specified. Any share number or per share amount referred to in this Agreement shall be appropriately adjusted to take into account any bonus share issue, share subdivision, share combination, share split, recapitalization, reclassification or similar event affecting the Ordinary Shares after the date of this Agreement. Any reference to or calculation of Shares in issue shall exclude treasury shares.

2. Agreed Terms. References to a document "in the agreed terms" shall be to a document agreed between and initialed for identification by or on behalf of the Investor and the Company.

EXHIBIT II
TABLE OF SHAREHOLDERS AND CAPITALIZATION TABLE

PART I: LIST OF FOUNDER AND HOLDING COMPANY

Founder	Individual's ID	Holding Company
JIN, Guangjie	[***]	BILL.COM INC

PART II: LIST OF INVESTOR

Name	Number of Series C-1 Shares Subscribed	Aggregate Subscription Price
CP QK Singapore Pte Ltd.	103,500,000	**US$ 30,000,000**
Total	103,500,000	**US$ 30,000,000**

PART III: CAPITALIZATION TABLE IMMEDIATELY PRIOR TO AND AFTER THE CLOSING
[Separately attached]

EXHIBIT III
SUBSIDIARIES OF DOMESTIC COMPANY

1. Shanghai Qingke Chuangyi Industrial Supporting Property Management Co., Ltd. (□□□□□□□□□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Qingke Chuangyi**");
2. Suzhou Qingke Information Technology Co., Ltd. (□□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Suzhou Qingke**");
3. Shanghai Lingqing Property Management Co., Ltd. (□□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Lingqing Property**")
4. Shanghai Minqing Property Service Co., Ltd., a limited liability company established under the PRC Laws (□□□□□□□□□□□□□) ("**Minqing Property**");
5. Shanghai Tangqing Property Management Co., Ltd., a limited liability company established under the PRC Laws (□□□□□□□□□□□□□) ("**Tangqing Property**");
6. Shanghai Qingteng Investment Management Center LLP, a limited liability partnership established under the PRC Laws (□□□□□□□□□□□(□□□□)) ("**Qingteng Investment**");
7. Shanghai Qingke Public Rental Housing Leasehold Operation and Management Company Limited by Shares, a company limited by shares incorporated under the PRC Laws (□□□□□□□□□□□□□□□□□□□□□□□□) ("**Qingke Public Rental**");
8. Shanghai Guqing Property Management Co., Ltd., a limited liability company established under the PRC Laws (□□□□□□□□□□□□□) ("**Guqing Property**");
9. Shanghai Qingke Equipment Rental Co., Ltd. (□□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Qingke Equipment Rental**");
10. Shanghai Baoshan Qingke Public Rental Leased Housing Operation and Management Co., Ltd. (□□□□□□□□□□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Baoshan Public Rental**");
11. Jiaxing Qingke Public Rental Housing Leasehold Investment Management Company Limited by Share (□□□□□□□□□□□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Jiaxing Public Rental**");
12. Hangzhou Qingke Apartment Management Co., Ltd. (□□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Hangzhou Qingke**");
13. Guangzhou Qingke Apartment Hotel Management Co., Ltd. (□□□□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Guangzhou Qingke**");
14. Beijing Qingke Property Management Co., Ltd. (□□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Beijing Qingke**");
15. Beijing Qingke Investment Consulting Co., Ltd. (□□□□□□□□□□□□□)**,** a limited liability company established under the PRC Laws ("**Beijing Qingke Investment**");

16. Tianjin Qingke Apartment Management Co., Ltd. (□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Tianjin Qingke**");

17. Chengdu Qingke Apartment Management Co., Ltd. (□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Chengdu Qingke**");

18. Nanjing Qingke Apartment Management Co., Ltd. (□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Nanjing Qingke**");

19. Hefei Qingke Property Management Co., Ltd. (□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Hefei Qingke**");

20. Xiamen Qingke Apartment Management Co., Ltd. (□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Xiamen Qingke**");

21. Wuhan Qingke Apartment Hotel Management Co., Ltd. (□□□□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Wuhan Qingke**");

22. Jiaxing Qingke Talent Apartment Construction and Development Co., Ltd. (□□□□□□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Jiaxing Qingke Talent Apartment**"); and

23. Jiaxing Huicai Property Management Co., Ltd. (□□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Jiaxing Huicai**").

EXHIBIT IV

FORM OF SHAREHOLDERS AGREEMENT

EXHIBIT V

FORM OF RESTATED ARTICLES

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EXHIBIT VI

DISCLOSURE SCHEDULE

EXHIBIT VII

FORM OF NON-COMPETE LETTER

Letter of Commitment and Non-Competition

To: Q&K International Group Limited (the "**Company**");

CP QK Singapore Pte Ltd.

Date: [ ], 2018

Dear Sirs,

Reference is made to the Series C-1 Preferred Share Subscription Agreement (the "**Subscription Agreement**") entered into by and among the Company, CP QK Singapore Pte Ltd. (the "**Investor**") and other parties thereto dated March 16, 2018. Capitalized terms defined in the Subscription Agreement shall have the same meaning when used in this letter unless expressly defined in this letter.

I hereby acknowledge that I occupy the position of _____ with the Company as of the date hereof. I hereby undertake that as long as I remain the Shareholder of the Company or any other Group Company, I shall commit all of my efforts to further the Principal Business of the Group Companies and shall not, without the prior written consent of the Board of the Company (which shall include the consent of the director appointed by the Investor), either on my own account or through any of my Interested Parties, or in conjunction with or on behalf of any other Person, (i) possess, directly or indirectly, of the power to direct or cause the direction of the management and business operation of any entity whether (A) through the ownership of more than fifty percent (50%) of the equity interest in such entity, or (B) by occupying half or more of the board seats of the entity; or (C) by contract or otherwise; (ii) devote time to carry out the business operation of any other entity.

I hereby further undertake that from the date hereof until two (2) years after the date I cease to be employed by any Group Company, I will not, without the prior written consent of the Board of the Company (which shall include the consent of the director appointed by the Investor), directly or indirectly, engage or invest in, own, manage, operate, finance, control, or participate in the ownership, management, operation, financing, or control of, be employed by, associated with, or in any manner connection with, or render services or advice to, any business whose products or activities compete in whole or in part with the products or activities of any of the Group Companies. I will not, directly or indirectly, either for myself or for any other Person, (A) induce or attempt to induce any employee of the Group Company to leave the employ of such Group Company, (B) in any way interfere with the relationship between the Group Company and any employee of such Group Company, (C) employ, or otherwise engage as an employee, independent contractor, or otherwise, any employee of the Group Company, or (D) induce or attempt to induce any customer, supplier, licensee, or business relation of the Group Company to cease doing business with such Group Company, or in any way interfere with the relationship between any customer, supplier, licensee, or business relation of the Group Company.

If I breach the above undertakings, I shall indemnify and hold harmless the Investor and the Group Companies for, and will pay to them the amount of any loss, liability, claim, damage, expenses (including reasonable costs of investigation and defense and reasonable attorney's fee) arising, directly or indirectly from or in connection with any breach of the undertakings above. The Investor and/or any Group Company shall be entitled, in addition to their right to damages and any other rights they may have, to obtain injunctive or other relief to restrain any breach or threatened breach or otherwise to specifically enforce the undertakings herein above. I hereby agree and acknowledge that money damages alone would be inadequate to compensate the Investor and the Group Companies and would be an inadequate remedy for such breach.

Name:

EXHIBIT VIII

LIST OF KEY EMPLOYEES

EXHIBIT IX

NOTICES

IF TO THE WARRANTORS:

Address: □□□□□□□□□□596□□□□□ A□1607□

Fax: 86-21-64179303

Tel: 86-21-64179625

Attn: □□□

IF TO THE INVESTOR:

CP QK Singapore Pte Ltd.

Address: One Temasek Avenue, #20-01 Millenia Tower Singapore 039192

Telephone: +65 6511 3088

Facsimile: +65 6223 5992

With a copy to:

Name: Lawrence Lim

Email: llim@cgcm.com

EXHIBIT X
FORM OF INDEMNIFICATION AGREEMENT

INDEMNIFICATION DEED (this "**Deed**") made on the _____ day of _____

AMONG:

(1) Q&K International Group Limited (the "**Company**"); and

(2) CP QK Singapore Pte Ltd. (the "**Investor**"); and

(3) Mr. Lin Lin (the "**Indemnitee**").

RECITALS:

(A) The Company wishes for Indemnitee to serve on the Board (as defined below) and to provide Indemnitee with specific contractual assurance of Indemnitee's rights to full indemnification against litigation risks and expenses arising from his or her position as a Director (as defined below).

(B) The Indemnitee is relying upon the rights afforded under this Deed in serving as a Director.

SECTION 1
DEFINITIONS

1.1 In this Deed, unless the context otherwise requires, the following words and expressions have the following meanings:

"**Board**" means the board of directors of any Group Company.

"**Claim**" means any action, suit, proceeding or alternative dispute resolution mechanism, whether civil, criminal, administrative, investigative or other kind.

"**Corporate Status**" means the status of a Person who is serving or has served (i) as a Director, including as a member of any committee of the Board, or (ii) as a director, partner, trustee, officer, employee or agent of any other Entity at the request of the Company. For purposes of subsection (iii) an officer or director of the Company who is serving or has served as a director, partner, trustee, officer, employee or agent of another Group Company shall be deemed to be serving at the request of the Company.

"**Director**" means a member of the Board.

"**Entity**" means any corporation, partnership, limited liability company, joint venture, trust, foundation, association, organization or other legal entity.

"**Expenses**" means all fees, costs and expenses incurred in connection with any Proceeding (as defined below), including, without limitation, reasonable attorneys' fees, disbursements and retainers (including, without limitation, any such fees, disbursements and retainers incurred by Indemnitee pursuant to Section 8 and Section 10.2 of this Deed), fees and disbursements of expert witnesses, private investigators and professional advisors (including, without limitation, accountants and investment bankers), court costs, transcript costs, fees of experts, travel expenses, duplicating, printing and binding costs, telephone and fax transmission charges, postage, delivery services, secretarial services and other disbursements and expenses.

"**Governmental Authority**" means any supra-national, national, state, municipal or local government (including any sub-division, court, administrative agency, commission or other authority thereof) or private body exercising any regulatory, taxing, importing or quasi-governmental authority (including any stock exchange).

"**Group**" means, collectively, the Company and the Group Companies.

"**Group Companies**" means the Company, the BVI Subsidiary, the US Subsidiaries, the HK Subsidiary, the PRC Subsidiaries and all other direct or indirect, current or future Subsidiaries of the foregoing, and the "**Group Company**" means any of the Group Companies.

"**Person**" means any natural person, firm, company, Governmental Authority, joint venture, partnership, association or other entity (whether or not having separate legal personality).

"**Proceeding**" means any threatened, pending or completed claim, action, suit, arbitration, alternate dispute resolution process, investigation, administrative hearing, appeal, or any other proceeding, whether civil, criminal, administrative, arbitrative or investigative, whether formal or informal, including a proceeding initiated by Indemnitee pursuant to Section 10 of this Deed to enforce Indemnitee's rights hereunder.

"**Share Subscription Agreement**" means the share subscription agreement relating to the subscription of the Series C-1 shares by the Investor dated March 16, 2018.

"**Subsidiary**" or "**Subsidiaries**" means (i) in respect of any Person, any corporation company (including any limited liability company), association, partnership, joint venture or other business entity of which at least a majority of the total voting power of the voting stock is at the time owned or controlled (including contractual control), directly or indirectly, by: (a) such Person, (b) such Person and one or more Subsidiaries of such Person, or (c) one or more Subsidiaries of such Person, and (ii) in respect of the Company, the BVI Subsidiary, the US Subsidiaries, the HK Subsidiary, the PRC Subsidiaries and all other direct or indirect, current or future Subsidiaries of the foregoing.

"**Tax**" means any tax, duty, deduction, withholding, impost, levy, fee, assessment or charge of any nature whatsoever (including, without limitation, income, franchise, value added, sales, use, excise, stamp, customs, documentary, transfer, withholding, property, capital, employment, payroll, ad valorem, net worth or gross receipts taxes and any social security, unemployment or other mandatory contributions) imposed, levied, collected, withheld or assessed by any local, municipal, regional, urban, governmental, state, national or other Governmental Authority and any interest, addition to tax, penalty, surcharge or fine in connection therewith, including any obligations to indemnify or otherwise assume or succeed to the liability of any other Person with respect to any of the foregoing items.

"**US$**" means United States Dollars, the lawful currency of the United States of America.

SECTION 2
SERVICES OF INDEMNITEE

2.1 In consideration of the Company's covenants and commitments hereunder, Indemnitee agrees to serve as a Director. However, this Deed shall not impose any obligation on Indemnitee or the Company to continue Indemnitee's service to the Company beyond any period otherwise required by law or by other agreements or commitments of the parties, if any.

SECTION 3
AGREEMENT TO INDEMNIFY

3.1 The Company agrees to indemnify Indemnitee as follows:

(a) Subject to the exceptions contained in Section 4.1 below, if Indemnitee was or is a party or is threatened to be made a party to any Proceeding (other than an action by or in the right of the Company) by reason of Indemnitee's Corporate Status, Indemnitee shall be indemnified by the Company against all Expenses and liabilities incurred or paid by Indemnitee in connection with such Proceeding (referred to herein as "**Indemnifiable Expenses**" and "**Indemnifiable Liabilities**", respectively, and collectively as "**Indemnifiable Amounts**").

(b) To the extent permitted by applicable law and subject to the exceptions contained in Section 4.1 below, if Indemnitee was or is a party or is threatened to be made a party to any Proceeding by or in the right of the Company to procure a judgment in its favor by reason of Indemnitee's Corporate Status, Indemnitee shall be indemnified by the Company against all Indemnifiable Expenses and Indemnifiable Liabilities.

(c) If the Investor is threatened to be made a party to, or a participant in, any Proceeding, and the Investor's involvement in the Proceeding arises from the Indemnitee's Corporate Status, then the Investor shall be entitled to all of the indemnification rights and remedies, and shall to the extent indemnified hereunder, undertake the obligations of the Indemnitee, under this Deed to the same extent as Indemnitee.

SECTION 4
EXCEPTIONS TO INDEMNIFICATION

4.1 Indemnitee shall be entitled to indemnification under Sections 3.1(a) and 3.1(b) above in all circumstances, to the maximum extent permitted under all applicable laws, other than the following:

(a) If indemnification is requested under Section 3.1(a) and it has been adjudicated finally by a court of competent jurisdiction that, in connection with the subject of the Proceeding out of which the claim for indemnification has arisen, Indemnitee failed to act (i) in good faith (such as acting out of fraud or dishonest) and (ii) in a manner consistent with the best interests of the Group and, with respect to any criminal action or proceeding, Indemnitee has been finally adjudicated by a court of competent jurisdiction to be guilty of any crime or offense, Indemnitee shall not be entitled to payment of the Indemnifiable Amounts hereunder.

(b) If indemnification is requested under Section 3.1(b) and

(i) it has been adjudicated finally by a court of competent jurisdiction that, in connection with the subject of the Proceeding out of which the claim for indemnification has arisen, Indemnitee failed to act (A) in good faith and (B) in a manner Indemnitee reasonably believed to be in the best interests of the Group, Indemnitee shall not be entitled to payment of Indemnifiable Expenses hereunder;

(ii) it has been adjudicated finally by a court of competent jurisdiction that Indemnitee is liable to the Company or any other Group Company with respect to any claim, issue or matter involved in the Proceeding out of which the claim for indemnification has arisen, including, without limitation, a claim that Indemnitee received an improper personal benefit, no Indemnifiable Expenses shall be paid with respect to such claim, issue or matter unless the court of law or another court in which such Proceeding was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnity for such Indemnifiable Expenses which such court shall deem proper;

(c) If indemnification is requested and it has been adjudicated finally by a court of competent jurisdiction that, in connection with the subject of the Proceeding out of which the claim for indemnification has arisen, the Indemnitee has acted or omitted to act in violation of applicable laws; or

(d) If Proceedings were initiated or brought voluntarily by the Indemnitee and are not in connection with any matter contemplated under this Agreement. For the avoidance of doubt, Proceedings which shall be deemed not to fall within this Section 4.1(d) include, without limitation the following: (i) Proceedings which were initiated or brought to establish or to enforce a right of indemnification and/or advancement of Indemnifiable Expenses under this Deed or the Transaction Documents (as defined in the Share Subscription Agreement), any insurance policy, the constitutional documents of the Group Companies, or at law, (ii) if the Board has approved the initiation or bringing of Proceedings, (iii) Proceedings which were initiated or brought to establish any other Claims, counter-Claims or affirmative defenses in connection with any Proceedings initiated against the Indemnitee, and (iv) Proceedings which were initiated or brought in order to obtain a release of the Indemnitee or otherwise with a view to establishing no fault or culpability of, or liability to, the Indemnitee.

SECTION 5
PROCEDURE FOR PAYMENT OF INDEMNIFIABLE AMOUNTS

5.1 Indemnitee shall submit to the Company a written request specifying in reasonable details the Indemnifiable Amounts for which Indemnitee seeks payment under Section 3 of this Deed and the basis for the claim. The Company shall pay such Indemnifiable Amounts to Indemnitee within ten business days after receipt of the request together with supporting invoices therefor. At the request of the Company, Indemnitee shall furnish such documentation and information as are reasonably available to Indemnitee and necessary to establish that Indemnitee is entitled to indemnification hereunder.

5.2 All Indemnifiable Amounts payable by the Company to the Indemnitee shall be paid free and clear of all Tax, deductions or withholdings unless the Tax, deduction or withholding is required by Law, in which case the Company shall pay such additional amount to the Indemnitee as will result in the receipt by the Indemnitee under this Deed of a net amount equal to the full amount which would have been received had no such Tax, deduction or withholding been required to be made.

SECTION 6
INDEMNIFICATION FOR EXPENSES OF A PARTY WHO IS WHOLLY OR PARTLY SUCCESSFUL

6.1 Notwithstanding any other provision of this Deed, and without limiting any such provision, to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, Indemnitee shall be indemnified against all Expenses reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Deed, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

SECTION 7
EFFECT OF CERTAIN RESOLUTIONS

7.1 Neither the settlement nor termination of any Proceeding nor the failure of the Company to award indemnification or to determine that indemnification is payable shall create an adverse presumption that Indemnitee is not entitled to indemnification hereunder. In addition, the termination of any Proceeding by judgment, settlement or upon a plea of nolo contendere or its equivalent shall not create a presumption that Indemnitee did not act in good faith and in a manner which Indemnitee reasonably believed to be in the best interests of the Group.

SECTION 8
AGREEMENT TO ADVANCE EXPENSES; CONDITIONS

8.1 The Company shall pay to Indemnitee all Indemnifiable Expenses incurred by Indemnitee in connection with any Proceeding, including a Proceeding by or in the right of any Group Company, in advance of the final disposition of such Proceeding, as the same are incurred. To the extent required by applicable law, Indemnitee hereby undertakes to repay the amount of Indemnifiable Expenses paid to Indemnitee if it is finally determined by a court of competent jurisdiction that Indemnitee is not entitled under this Deed to indemnification with respect to such Expenses. The Indemnitee shall effect repayment within 10 Business Days of such final determination by the court. This undertaking is an unlimited general obligation of Indemnitee.

SECTION 9
PROCEDURE FOR ADVANCE PAYMENT OF EXPENSES

9.1 Indemnitee shall submit to the Company a written request specifying the Indemnifiable Expenses for which Indemnitee seeks an advancement under Section 8 of this Deed, together with documentation evidencing that Indemnitee has incurred such Indemnifiable Expenses. Payment of Indemnifiable Expenses under Section 8 shall be made no later than ten calendar days after the Company's receipt of such request.

SECTION 10
REMEDIES OF INDEMNITEE

10.1 Right to Petition Court. In the event that Indemnitee makes a request for payment of Indemnifiable Amounts under Section 3 and Section 5 above or a request for an advancement of Indemnifiable Expenses under Section 8 and Section 9 above and the Company fails to make such payment or advancement in a timely manner pursuant to the terms of this Deed, Indemnitee may petition a court of law to enforce the Company's obligations under this Deed.

10.2 Expenses. The Company agrees to reimburse Indemnitee in full for any Expenses reasonably incurred by Indemnitee in connection with investigating, preparing for, litigating, defending or settling any action brought by Indemnitee under Section 10.1 above, or in connection with any claim or counterclaim brought by the Company in connection therewith.

10.3 Validity of Deed. The Company shall be precluded from asserting in any Proceeding that there is insufficient consideration for this Deed and shall stipulate in court that the Company is bound by all the provisions of this Deed.

10.4 Failure to Act Not a Defense. The failure of the Company (including its Board or any committee thereof, independent legal counsel or shareholders) to make a determination concerning the permissibility of the payment of Indemnifiable Amounts or the advancement of Indemnifiable Expenses under this Deed shall not be a defense in any action brought under Section 10.1 above, and shall not create a presumption that such payment or advancement is not permissible.

SECTION 11
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

11.1 The Company hereby represents and warrants to Indemnitee as follows:

(a) Authority. The Company has all necessary power and authority to enter into, and be bound by the terms of, this Deed, and the execution, delivery and performance of the undertakings contemplated by this Deed have been duly authorized by the Company.

(b) Enforceability. This Deed, when executed and delivered by the Company in accordance with the provisions hereof, shall be a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws affecting the enforcement of creditors' rights generally.

SECTION 12
FEES AND EXPENSES

12.1 During the term of the Indemnitee's service as a Director, the Company shall reimburse the Indemnitee for all expenses reasonably incurred by Indemnitee in connection with his service as a Director or member of any committee of the Board, excluding expenses incurred in attending board meetings.

SECTION 13
CONTRACT RIGHTS NOT EXCLUSIVE

13.1 The rights to payment of Indemnifiable Amounts and advancement of Indemnifiable Expenses provided by this Deed shall be in addition to, but not exclusive of, any other rights which Indemnitee may have at any time under applicable law, any Group Company's Memorandum and/or Articles of Association or certificate of incorporation or business license, or any other agreement, vote of shareholders or the Board (or any committee thereof), or otherwise, both as to action in Indemnitee's Corporate Status and as to action in any other capacity as a result of Indemnitee's serving as a Director.

SECTION 14
SUCCESSORS

14.1 This Deed shall be (a) binding upon all successors and assigns of the Company (including any transferee of all or a substantial portion of the business, stock and/or assets of the Company and any direct or indirect successor by merger or consolidation or otherwise by operation of law) and (b) binding on and shall inure to the benefit of the heirs, personal representatives, executors and administrators of Indemnitee. This Deed shall continue for the benefit of Indemnitee and such heirs, personal representatives, executors and administrators in respect of any claim made during the period of five (5) years after the Indemnitee has ceased to have Corporate Status.

SECTION 15
SUBROGATION

15.1 In the event of any payment of Indemnifiable Amounts under this Deed, the Company shall be subrogated to the extent of such payment to all of the rights of contribution or recovery of Indemnitee against other Persons, and Indemnitee shall take, at the request of the Company, all reasonable action necessary to secure such rights, including the execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

SECTION 16
CHANGE IN LAW

16.1 To the extent that a change in applicable law (whether by statute or judicial decision) shall permit broader indemnification or advancement of expenses than is provided under the terms of the Memorandum and/or Articles of Association of the Company and this Deed, Indemnitee shall be entitled to such broader indemnification and advancements, and this Deed shall be deemed to be amended to such extent with effect from the date the change in law becomes effective.

SECTION 17
SEVERABILITY

17.1 Whenever possible, each provision of this Deed shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Deed, or any clause thereof, shall be determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, in whole or in part, such provision or clause shall be limited or modified in its application to the minimum extent necessary to make such provision or clause valid, legal and enforceable, and the remaining provisions and clauses of this Deed shall remain fully enforceable and binding on the parties.

SECTION 18
MODIFICATIONS AND WAIVER

18.1 Except as provided in Section 16 above with respect to changes in applicable law which broaden the right of Indemnitee to be indemnified by the Company, no supplement, modification or amendment of this Deed shall be binding unless executed in writing by each of the parties hereto. No waiver of any of the provisions of this Deed shall be deemed or shall constitute a waiver of any other provisions of this Deed (whether or not similar), nor shall such waiver constitute a continuing waiver.

SECTION 19
GENERAL NOTICES

19.1 All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given (x) when delivered by hand, (y) when transmitted by facsimile and receipt is acknowledged, or (z) if mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed:

(a) If to the Company, to:

□□□□□□□□□□596□□□□□ A□1607□
Attention: □□□
Facsimile: 86-21-64179303

(b) If to the Investor:

CP QK Singapore Pte Ltd.
Address: One Temasek Avenue, #20-01 Millenia Tower Singapore 039192
Telephone: +65 6511 3088
Facsimile: +65 6223 5992

With a copy to:

Name: Lawrence Lim
Email: llim@cgcm.com

(c) If to Indemnitee, to:

CP QK Singapore Pte Ltd.
Address: One Temasek Avenue, #20-01 Millenia Tower Singapore 039192
Telephone: +65 6511 3088
Facsimile: +65 6223 5992

With a copy to:

Name: Lawrence Lim
Email: llim@cgcm.com

or to such other address as may have been furnished in the same manner by any party to the others.

SECTION 20
GOVERNING LAW

20.1 This Deed shall be governed by and construed and enforced under the laws of Hong Kong, the Special Administrative Region of the People's Republic of China without giving effect to the provisions thereof relating to conflicts of law.

SECTION 21
COUNTERPARTS

21.1 This Deed may be executed in one or more counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other party, it being understood that all parties need not sign the same counterpart. This Deed, to the extent signed and delivered by means of a facsimile machine or electronic mail in .pdf file format, will be treated in all manner and respects as an original agreement and will be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Deed as of the date first above written.

EXECUTED as a DEED and **DELIVERED** by)

Jin Guangjie, as authorized signatory for)

Q&K International Group Limited) _____

)

in the presence of:)

Name: _____

[Name of Witness]

Address: _____

_____

_____

Occupation: _____

SIGNED, SEALED and **DELIVERED**)
as a **DEED** by)
CP QK Singapore Pte Ltd.)
in the presence of:)

L.S.

SIGNED, SEALED and **DELIVERED**)
as a **DEED** by)
Lin Lin)
in the presence of:)

L.S.

EXHIBIT XI

QINGKE ROBOT ASSETS PURCHASE PLAN

EXHIBIT XII

PROPRIETARY ASSETS OF QINGKE SHISHANG

Exhibit 10.11

Q&K INTERNATIONAL GROUP LIMITED

SERIES C-2 PREFERRED SHARE SUBSCRIPTION AGREEMENT

January 30, 2019

SERIES C-2 PREFERRED SHARE SUBSCRIPTION AGREEMENT

THIS SERIES C-2 PREFERRED SHARE SUBSCRIPTION AGREEMENT (this "**Agreement**") is made and entered into as of January 30, 2019 by and among

1. Q&K International Group Limited, an exempted company incorporated under the laws of the Cayman Islands (the "**Company**"),
2. QK365.Com Inc., a BVI Business Company incorporated under the laws of BVI (the "**BVI Subsidiary**"),
3. QK365.Com Inc., a corporation incorporated under the Laws of the State of Delaware (the "**US Subsidiary**"),
4. Qingke (China) Limited, a company limited by shares incorporated under the Hong Kong Laws (the "**HK Subsidiary**"),
5. Shanghai Qingke Electrics Commerce Co., Ltd.(□□□□□□□□□□□□), a limited liability company established under the PRC Laws (the "**Domestic Company**"),
6. Q&K Investment Consulting Co., Ltd. (□□□□□□□□□□□□), a limited liability company established under the PRC Laws (the "**WFOE**"),
7. each of the PRC Subsidiaries listed in Exhibit III attached hereto,
8. Mr. JIN Guangjie, PRC ID No: [***], (the "**Founder**")
9. BILL.COM INC., a BVI Business Company incorporated under the laws of BVI (the "**Holding Company**"), and
10. CP QK Singapore Pte Ltd., a company incorporated under the laws of Singapore (the "**Investor**").

The above parties are collectively referred to as the "**Parties**", and each, a "**Party**".

RECITALS

A. The Company is an exempted company incorporated under the laws of the Cayman Islands on August 14, 2014, with its registered address at the offices of Conyers Trust Company (Cayman) Limited at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. As of the date hereof, the Founder owns, indirectly through the Holding Company, 190,329,080 Ordinary Shares of the Company, representing approximately 17.56% of the issued share capital of the Company.

B. The BVI Subsidiary is a BVI business company incorporated under the laws of BVI on September 29, 2014, with its registered office at Start Chambers, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola, British Virgin Islands. As of the date hereof, the Company owns 100% of the outstanding shares of the BVI Subsidiary.

C. The US Subsidiary is a corporation incorporated under the Laws of the State of Delaware on October 7, 2015, with its registered office at 3500 South Dupont Highway, City of Dover, County of Kent, Delaware 19901. As of the date hereof, the Company owns 100% of the outstanding shares of the US Subsidiary.

D. The HK Subsidiary is a private company limited by shares incorporated under the Laws of Hong Kong on November 1, 2014, with its legal address at Flat/RMC, 21/F, Central, 88, 88 Des Voeux Road Central, Central, HK. As of the date hereof, the BVI Subsidiary owns 100% of the outstanding shares of the HK Subsidiary.

E. The Domestic Company is a limited liability company established under the PRC Laws on August 2, 2013, with its legal address at Zone A, 3rd Floor, Tower 1, No. 1288, Boxue Road, Malu Town, Jiading District, Shanghai, PRC (□□□□□□□□□□□□1288□1□□□A□). As of the date hereof, the Founder owns 74.53% of the outstanding Equity Securities of the Domestic Company, Xiamen Siyuan Investment and Management Co., Ltd. (□□□□□□□□□□□□) and XIAO Bin (□□) respectively owns 15% and 10.47% of the outstanding Equity Securities of the Domestic Company.

F. The WFOE is a wholly foreign-owned enterprise established under the PRC Laws on April 2, 2015 with its legal address at (Room C4, 2 Floor, No. 2 Building, No. 317 Meigui North Rd., China (Shanghai) Pilot Free Trade Zone, Shanghai, PRC (□□□□□□□□□□□□□□□□□□317□□□□□ C4□). As of the date hereof, the HK Subsidiary owns 100% of the Equity Securities of the WFOE. The WFOE has entered into a number of Control Documents with the Domestic Company and the Founder under which the WFOE controls the assets, business, financials, operation and management of the PRC Subsidiaries.

G. The Company proposes to issue, and the Investor proposes to subscribe from the Company up to 273,360,850 Series C-2 Shares pursuant to the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual promises hereinafter set forth, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. DEFINITIONS

In this Agreement, unless the context otherwise requires, capitalized words and expressions have the meanings as set forth in Exhibit I attached hereto.

2. SUBSCRIPTION OF SHARES

2.1 Subject to the terms and conditions hereof, the Company hereby agrees to issue to the Investor, and the Investor hereby agrees to subscribe from the Company, at the Closing, up to 273,360,850 Series C-2 Shares, representing up to 20.15% of the Company's issued and outstanding shares (on a fully diluted and as-converted basis) immediately after the Closing, at the subscription price of US$0.3045 per Series C-2 Share, amounting to an aggregate subscription price up to US$83,250,000; provided, however, that the aggregate subscription price then paid by the Investor as of the Closing in accordance with Section 3.2 shall be deemed as the final subscription price for Series C-2 Shares (the "**Subscription Price**") and the number of Series C-2 Shares subscribed for by the Investor (the "**Subscription Shares**") shall be calculated accordingly. For the avoidance of doubt, the Investor shall have the sole discretion over the time, installment and amount of payment of the Subscription Price. Notwithstanding the foregoing, if the Investor fails to pay the subscription price of US$ 83,250,000 by (i) the date on which the Company submits filing for its initial public offering or by (ii) the date when the definitive agreements in terms of the Company's Series D financing are executed by the parties thereto, whichever is earlier (the "**Funding Date**"), the aggregate subscription price then paid by the Investor as of the Funding Date shall be deemed as the final Subscription Price for Series C-2 Shares and the number of Subscription Shares shall be calculated accordingly, and under such circumstance the Parties agree to amend this Agreement, mutatis mutandis, to reflect the result of such adjustment of the final Subscription Price. The Parties further agree that, such Funding Date may be extended for two (2) months by amendment to this Agreement in writing upon mutual consensus.

2.2 QIPO Adjustment.

2.2.1 In the event that the actual pre-offering market capitalization of the Company is less than USD800,000,000 (on a fully diluted basis), the Company shall additionally issue such number of Series C-2 Preferred Shares (the "**QIPO Adjustment Shares**") to the Investor at par value as a compensation that shall be determined as below (subject to adjustment as a result of share split, share division, share combination, share dividend, reorganization, mergers, consolidations, reclassifications, exchanges, substitutions, recapitalization or similar events):

Number of QIPO Adjustment Shares	=	USD 800,000,000 minus the actual pre-offering market capitalization / USD 800,000,000	*	Number of Subscription Shares

2.2.2 Completion of the issue to the Investor of any QIPO Adjustment Shares shall be held at the principal office of the Company at 11:00a.m. local time on the 10th day after the date on which the Investor agrees to the actual pre-offering market capitalization (or if that day is not a Business Day, the immediately following Business Day) or at such other time and place as the Company and the Investor may mutually agree.

2.2.3 At completion of the issue of any QIPO Adjustment Shares to the Investor pursuant to Section 2.2.1, the Company shall deliver to the Investor: (1) the original share certificate(s) in respect of the QIPO Adjustment Shares, (2) a certified true copy of the register of members of the Company reflecting the issue of the QIPO Adjustment Shares to the Investor, and (3) the board and shareholder resolutions authorizing and approving the issue of the QIPO Adjustment Shares to the Investor.

3. CLOSING; CLOSING DELIVERIES

3.1 Closing. The Closing shall take place through the remote exchange of documents prior to or on the tenth (10th) Business Day after the later of (i) the satisfaction or waiver of all the conditions to Closing set forth in Section 8 and Section 9, and (ii) the Company receiving a written notice from the Investor that the total subscription price paid by the Investor as of the notice date is the final Subscription Price; or at such other date, time and place as may be mutually agreed upon by the Company and the Investor.

3.2 Closing Account. Payment of the Subscription Price by the Investor to the Company shall be made by remittance of immediately available funds to a bank account of the Company acceptable to the Investor (the "**Closing Account**"), which may be made in installments at the sole discretion of the Investor, such Closing Account to be notified by the Company to the Investor within five (5) Business Days after the date hereof. All bank charges and related expenses for remittance and receipt of funds shall be for the account of the Company.

3.3 Company Deliverables. At the Closing, in addition to any items the delivery of which is made an express condition to the Investor's obligations at the Closing pursuant to Section 8, the Company shall, and shall procure that the relevant Group Companies, deliver to the Investor:

3.3.1 an updated register of members of the Company, showing the Investor as the holder of the Subscription Shares, certified by the service provider of the Company,

3.3.2 a share certificate issued in the name of the Investor in respect of the Subscription Shares,

3.3.3 the duly executed board and shareholder resolutions of the Company approving (a) the entry by the Company of the Transaction Documents, (b) the transactions contemplated under the Transaction Documents, (c) the adoption of the Restated Articles and (d) the issue of the Subscription Shares to the Investor, free and clear of all Liens,

3.3.4 the duly executed board and shareholder resolutions of each Party (other than the Company, the Investor and the Founder) approving (a) the entry by the relevant Party of the Transaction Documents and (b) the transactions contemplated under the Transaction Documents, and

3.3.5 all waivers of pre-emptive rights duly executed by all shareholders of the Company.

3.4 Efforts to Fulfill Closing Conditions. The Warrantors shall use best efforts to ensure that the conditions set forth in Section 8 will be satisfied by the Closing Date. The Investor shall use best efforts to ensure that the conditions set forth in Section 9 will be satisfied by the Closing Date.

4. VALUATION ADJUSTMENT MECHANISM

For the purposes of this Section 4:

Accounts:	means the audited or reviewed (as applicable) consolidated balance sheet, statement of income and statement of consolidated cash flow for such Financial Period prepared by the Company and audited or reviewed (as applicable) by the Auditor, together with the notes thereto, and (in the case of audited accounts) with an unqualified audit report thereon issued by the Auditor substantially to the effect that such financial statements give rise to a true and fair view of the financial position of the Company and its Subsidiaries.
Aggregate Actual EBITDA:	means the actual aggregate audited or reviewed (as applicable) EBITDA of the Company and its Subsidiaries on a consolidated basis for the Adjustment Period as set forth in the Accounts.

Actual EBITDA:	means the actual audited or reviewed (as applicable) EBITDA of the Company and its Subsidiaries on a consolidated basis for such Financial Period as set forth in the Accounts.
Adjustment Period:	means FY 2018 and FY 2019.
Adjusted Pre-Series C-2 Valuation:	means the Pre-Series C-2 Valuation of the Company as adjusted pursuant to Section 4.2.
Auditor:	means the auditor of the Company, such auditor to be appointed by the Company with the prior written consent of the Investor, or the Replacement Auditor, as the case may be.
Cumulative EBITDA Target:	means the aggregate of the EBITDA Target for each Financial Period during the Adjustment Period.
EBITDA:	means the net profit of the Company and its Subsidiaries on a consolidated basis for such financial year, before: (a) any taxes based on income, profits or capital of the Company and its Subsidiaries on a consolidated basis; (b) any interest expense of the Company and its Subsidiaries on a consolidated basis; and (c) any depreciation and amortization expenses of the Company and its Subsidiaries on a consolidated basis, and excluding any items which are treated as exceptional or extraordinary, including but not limited to any non-recurring gains and losses of the Company and its Subsidiaries on a consolidated basis, such as any gains or losses in connection with any ESOP adopted by the Company and any costs relating to any financing events or an initial public offering of the Company. For the avoidance of doubt, the IFRS prior to January 1, 2019 shall consistently apply when determining the EBITDA. Specifically, IFRS 16 Leases, which will take effect on January 1, 2019, shall not be applicable or taken into consideration for the purpose of computing the EBITDA provided hereunder.
EBITDA Target:	means the EBITDA target of the Company and its Subsidiaries on a consolidated basis for the applicable Financial Period during the Adjustment Period as set out in Section 4.1.

Financial Period:	means each of FY 2018 and FY 2019, as applicable.
FY 2018:	means the period commencing on October 1, 2018 and ending on September 30, 2019.
FY 2019:	means the period commencing on October 1, 2019 and ending on September 30, 2020.
IFRS:	means the International Financial Reporting Standards promulgated by the International Accounting Standards Board (IASB) (which includes standards and interpretations approved by the IASB and International Accounting Principles issued under previous constitutions) effective as of the date hereof, together with its pronouncements thereon from time to time, and applied on a consistent basis.
Pre-Series C-2 Valuation:	means the valuation of the Company as agreed between the Investor and the Company, being US$330,000,000.

4.1 Expected Performance.

(a) EBITDA guarantee. The Investor and the Company agree that the EBITDA Target for the Company for each Financial Period during the Adjustment Period shall be:

	FY 2018	FY 2019
EBITDA Target (in RMB)	250,000,000	700,000,000

(b) Cumulative EBITDA. The Investor and the Company agree that the Cumulative EBITDA Target for the Company shall be RMB950,000,000.

4.2 Adjustment.

(a) Adjustment conditions.

(i) The Company shall deliver to the Investor the Accounts for each Financial Period during the Adjustment Period, within four (4) months from the end of such Financial Period.

(ii) The Investor shall have the right to appoint an independent registered public accounting firm (the "**Replacement Auditor**"), at the sole cost and expense of the Company to prepare the Accounts for each Financial Period. The Company shall cooperate fully with the Auditor in the preparation of the Accounts, including providing full access to the books and records of the Group Companies and the provision of a management representation letter, in form and substance reasonably satisfactory to the Auditor, and any other information, records and documents as reasonably requested by the Auditor.

(iii) The Investor and the Company agree that the Pre-Series C-2 Valuation shall be adjusted in accordance with Sections 4.2(c) and (d) if the Cumulative EBITDA Target or the EBITDA Target for FY 2019 is not met and in accordance with Section 4.2(e) if the Cumulative EBITDA Target and the EBITDA Target to FY 2019 have been met, in each case, in the manner set forth in Sections 4.2(c) to (e) (as applicable).

(iv) Where the Pre-Series C-2 Valuation is adjusted pursuant to Sections 4.2(c) and (d), the Company shall issue, for a subscription price equal to the par value thereof, such number of Series C-2 Shares (the "**Performance Adjustment Shares**") to the Investor as would give the Investor such an additional shareholding percentage of the total issued share capital of the Company immediately outstanding after Closing on an as-converted but non-diluted basis (for the avoidance of doubt, not including the Additional ESOP Shares and the Huarui Warrant Shares), after the issue of such Performance Adjustment Shares as determined below:

$$\frac{\text{Subscription Price}}{\text{(Adjusted Series C-2 Valuation + Subscription Price)}} \% - \frac{\text{Number of Subscription Shares}}{\text{(1,069,500,000 + Number of Subscription Shares)}} \%$$

(v) Where the Pre-Series C-2 Valuation is adjusted pursuant to Section 4.2(e), the Investor shall transfer such number of Series C-2 Shares held by it (the "**Management Adjustment Shares**") to the managers of the Company (the "**Management**") as a management incentive for no consideration as would give the Management such an aggregate shareholding percentage of the total issued share capital of the Company immediately outstanding after Closing on an as-converted but non-diluted basis (for the avoidance of doubt, not including the Additional ESOP Shares and the Huarui Warrant Shares), after the transfer of such Management Adjustment Shares as determined below, provided that the Adjusted Pre-Series C-2 Valuation shall be US$360,000,000 if any adjustment to the Pre-Series C-2 Valuation pursuant to Section 4.2(e) would otherwise result in an Adjusted Pre-Series C-2 Valuation of more than US$360,000,000. Any such Management Adjustment Shares shall be automatically converted into Class A Ordinary Shares immediately upon transfer to the Management.

$$\frac{\text{Number of Subscription Shares}}{\text{(1,069,500,000 + Number of Subscription Shares)}} \% - \frac{\text{Subscription Price}}{\text{(Adjusted Series C-2 Valuation + Subscription Price)}} \%$$

(vi) For the purpose of Section 4.2(a)(iv) and Section 4.2(a)(v) above, the total number of Class A Ordinary Shares immediately outstanding after Closing on an as-converted but non-diluted basis (for the avoidance of doubt, not including the Additional ESOP Shares and the Huarui Warrant Shares) shall be the sum of 1,069,500,000 and the number of Subscription Shares, which is up to 1,233,680,690 Class A Ordinary Shares.

(vii) If the Investor exercises its right pursuant to Section 4.2(a)(ii), then the Accounts audited by the Replacement Auditor (including the Actual EBITDA and the Aggregate Actual EBITDA as reported in the Accounts audited by the Replacement Auditor) shall prevail and shall be used for the purposes of this Section 4.2, notwithstanding any Accounts audited or reviewed by the Auditor appointed by the Company (including the Actual EBITDA or the Aggregate Actual EBITDA as may have been reported in any Accounts prepared by the Auditor appointed by the Company).

(b) Completion.

(i) Completion of the issue to the Investor of any Performance Adjustment Shares or the transfer of any Management Adjustment Shares to Management shall be held at the principal office of the Company at 11:00a.m. local time on the 30th day after the date on which the Accounts of the Company for FY 2019 is delivered to the Investor (or if that day is not a Business Day, the immediately following Business Day) or at such other time and place as the Company or Management (as the case may be) and the Investor may agree. The allocation of the Management Adjustment Shares to the Management shall be determined by the Board. The Company shall notify the Investor of such allocation in writing at least three (3) Business Days before the date of completion of the transfer of Management Adjustment Shares to Management.

(ii) At completion of the issue of any Performance Adjustment Shares to the Investor pursuant to Section 4.2(a)(iv), the Company shall deliver to the Investor (1) the original share certificates in respect of the Performance Adjustment Shares, (2) a certified true copy of the register of members of the Company reflecting the issue of the Performance Adjustment Shares to the Investor, and (3) the board and shareholder resolutions authorizing the issue of the Performance Adjustment Shares to the Investor.

(iii) At completion of the transfer of the Management Adjustment Shares by the Investor to the Management pursuant to Section 4.2(a)(v), the Investor shall deliver to Management (1) the original share certificate in relation to such Management Adjustment Shares, and (2) the instrument of transfer in relation to the transfer of such Management Adjustment Shares to the Management.

(c) Aggregate Actual EBITDA less than Cumulative EBITDA Target.

If the Company's Aggregate Actual EBITDA is less than the Cumulative EBITDA Target, the Pre-Series C-2 Valuation shall be adjusted as follows:

$$\text{Adjusted Pre-Series C-2 Valuation} = \frac{\text{Aggregate Actual EBITDA}}{\text{Cumulative EBITDA Target}} \text{ X } \text{Pre-Series C-2 Valuation}$$

(d) Actual EBITDA for FY 2019 less than EBITDA Target for FY2019.

If (i) the Company's Aggregate Actual EBITDA is not less than the Cumulative EBITDA Target but (ii) the Actual EBITDA for FY 2019 is less than the EBITDA Target for FY 2019, the Pre-Series C-2 Valuation shall be adjusted as follows:

$$\text{Adjusted Pre-Series C-2 Valuation} = \frac{\text{Actual EBITDA for FY 2019}}{\text{EBITDA Target for FY 2019}} \text{ X } \text{Pre-Series C-2 Valuation}$$

(e) Actual EBITDA for 2019 more than EBITDA Target for 2019.

If (i) the Company's Aggregate Actual EBITDA is more than the Cumulative EBITDA Target, and (ii) the Actual EBITDA for FY 2019 is more than the EBITDA Target for 2019, the Pre-Series C-2 Valuation shall be adjusted as follows, provided that the Adjusted Pre-Series C-2 Valuation shall be US$360,000,000 if any adjustment to the Pre-Series C-2 Valuation pursuant this sub-section would otherwise result in an Adjusted Pre-Series C-2 Valuation of more than US$360,000,000:

$$\text{Adjusted Pre-Series C-2 Valuation} = \frac{\text{Actual EBITDA for FY 2019}}{\text{EBITDA Target for FY 2019}} \text{ X } \text{Pre-Series C-2 Valuation}$$

5. REPRESENTATIONS AND WARRANTIES OF THE WARRANTORS

Each of the Warrantors, jointly and severally, hereby represents, warrants and undertakes to the Investor as of the date hereof and the Closing that each of the Warranties set out below is true, complete and accurate, and not misleading in all respects. Each of the Warrantors hereby acknowledges that the Investor is relying on the Warranties made by it or him in this Section 5 in entering into this Agreement. Each of the Warranties made by any Warrantor in this Section 5 shall be construed as a separate and independent Warranty and shall not be limited or restricted by reference to or inference from the terms of any other Warranty or any other term of this Agreement (except where expressly provided to the contrary). Disclosures contained in the Disclosure Schedule attached hereto as Exhibit VI, with specific reference to the paragraphs of this Agreement to which such disclosures are related to, shall be deemed to be exceptions to the Warranties only if such disclosures are fully, specifically and accurately stated therein.

5.1 Organization, Standing and Qualification. Each Group Company is duly organized or incorporated, validly existing and in good standing (or equivalent status in the relevant jurisdiction) under, and by virtue of, the Laws of the place of its incorporation or establishment and has all requisite power and authority to own its legally owned properties and assets and to carry on its business as now conducted and as proposed to be conducted, and to perform each of its obligations hereunder and under each of the other Transaction Documents to which it is a party. Each Group Company is qualified to do business and is in good standing (or equivalent status in the relevant jurisdiction) in each jurisdiction where it engages in any business.

5.2 Capitalization.

5.2.1 Company.

(a) Company Shares. Immediately prior to the Closing, the authorized share capital of the Company shall be US$50,000 divided into 5,000,000,000 shares of a par value of US$0.00001 each, comprising of (a) 2,500,000,000 Class A Ordinary Shares; (b) 1,000,000,000 Class B Ordinary Shares; and (c) 1,500,000,000 Preferred Shares comprising of (i) 255,549,510 Series A Shares, of which 131,617,560 are designated as Series A-1 Shares, 40,121,500 are designated as Series A-2 Shares, and 83,810,450 are designated as Series A-3 Shares; (ii) 160,000,000 Series B Shares; (iii) 120,000,000 Series C Shares; (iv) 103,500,000 Series C-1 Shares; (v) no more than 273,360,850 Series C-2 Shares, the exact number of which shall be determined subject to Section 2 hereof; and (vi) the remaining shares are undesignated, each with such rights, preferences and privileges set forth in the Restated Articles.

Immediately prior to the Closing, the issued share capital of the Company are as follows:

(i) 120,121,410 Class A Ordinary Shares are issued and outstanding;

(ii) 310,329,080 Class B Ordinary Shares are issued and outstanding; and

(iii) 639,049,510 Preferred Shares are issued and outstanding of which (x) 131,617,560 Series A-1 Shares are issued and outstanding, 40,121,500 Series A-2 Shares are issued and outstanding and 83,810,450 Series A-3 Shares are issued and outstanding; (y) 160,000,000 Series B Shares are issued and outstanding, (z) 120,000,000 Series C Shares are issued and outstanding, and 103,500,000 Series C-1 Shares are issued and outstanding.

(b) Company Options. There are no options, warrants, conversion privileges or other rights, or agreements with respect to the issuance thereof, presently outstanding to purchase any of the Equity Securities of the Company. Except as noted in this Section 5.2.1 above and the rights provided in the Shareholders Agreement, no shares of the Company's outstanding share capital, or shares issuable upon exercise or exchange of any outstanding options or other shares issuable by the Company, are subject to any preemptive rights, rights of first refusal or other rights to purchase such shares (whether in favor of the Company or any other Person).

5.2.2 BVI Subsidiary. The authorized share capital of the BVI Subsidiary is US$50,000, divided into 50,000 shares of US$1 each, 50,000 shares of which are duly issued and outstanding and held by the Company. There are no options, warrants, conversion privileges or other rights, or agreements with respect to the issuance thereof, presently outstanding to purchase any of the Equity Securities of the BVI Subsidiary. Except as set forth in its Constitutional Documents and provided by the applicable Laws, no outstanding Equity Securities of the BVI Subsidiary are subject to any preemptive rights, rights of first refusal or other rights to purchase such Equity Securities (whether in favor of the BVI Subsidiary or any other Person).

5.2.3 US Subsidiaries. The authorized share capital of the US Subsidiary is US$0.05, divided into 5,000 shares of US$0.00001 each, 5,000 shares of which are duly issued and outstanding and held by the Company. There are no options, warrants, conversion privileges or other rights, or agreements with respect to the issuance thereof, presently outstanding to purchase any of the Equity Securities of the US Subsidiaries. Except as set forth in its Constitutional Documents and provided by the applicable Laws, no outstanding Equity Securities of the US Subsidiaries are subject to any preemptive rights, rights of first refusal or other rights to purchase such Equity Securities (whether in favor of such US Subsidiaries or any other Person).

5.2.4 HK Subsidiary. The authorized share capital of the HK Subsidiary is HK$10,000, divided into 10,000 shares of HK$1 each, 10,000 shares of which are duly issued to and held by the BVI Subsidiary. There are no options, warrants, conversion privileges or other rights, or agreements with respect to the issuance thereof, presently outstanding to purchase any of the Equity Securities of the HK Subsidiary. Except as set forth in its Constitutional Documents and provided by the applicable Laws, no outstanding Equity Securities of the HK Subsidiary are subject to any preemptive rights, rights of first refusal or other rights to purchase such Equity Securities (whether in favor of the HK Subsidiary or any other Person).

5.2.5 PRC Subsidiaries. The registered capital of each of the PRC Subsidiaries has been fully paid up. There are no options, warrants, conversion privileges or other rights, or agreements with respect to the issuance thereof, presently outstanding to purchase any of the Equity Securities of the PRC Subsidiaries. Except as set forth in its Constitutional Documents and the Control Documents and Section 5.2.5 of the Disclosure Schedule, and provided by the applicable Laws, no outstanding Equity Securities of the PRC Subsidiaries are subject to any preemptive rights, rights of first refusal or other rights to purchase such Equity Securities (whether in favor of such PRC Subsidiaries or any other Person).

5.2.6 Outstanding Security Holders. A complete and current list of all outstanding ultimate or beneficial shareholders and any other holders of the Equity Securities of the Company as of the date hereof and immediately prior to the Closing is set forth in Section 5.2.6 of the Disclosure Schedule, indicating the type and number of Equity Securities held by each such holder. All outstanding share capital or registered capital of each Group Company has been duly and validly issued (or subscribed for), fully paid and non-assessable. Except as listed in Section 5.2.6 of the Disclosure Schedule, all share capital or registered capital of each Group Company is free and clear of any Lien (except for any restrictions on transfer under applicable Laws). No outstanding share, option, warrant, registered capital or other Equity Security of any Group Company was issued or subscribed to in violation of the preemptive rights of any Person, terms of any Contract or any applicable Law, including without being limited to applicable securities Laws and any exemption therefrom, by which each such Group Company at the time of issuance or subscription was bound. Except as contemplated hereunder, (i) there is no resolution pending to increase the share capital or registered capital of any Group Company; (ii) there is no outstanding Contract under which any Person purchases or otherwise acquires, or has the right to purchase or otherwise acquire, any interest in the share capital or registered capital of any Group Company; (iii) there is no dividend which has accrued or been declared but is unpaid by any Group Company; and (iv) there is no outstanding or authorized equity appreciation, phantom equity, equity plan or similar right with respect to any Group Company. Except as contemplated hereunder, no Group Company is a party or subject to any Contract that affects or relates to the voting or giving of written consents with respect to any of the Equity Securities of such Group Company.

5.3 Group Structure. Except for the BVI Subsidiary, the US Subsidiaries, the HK Subsidiary and the PRC Subsidiaries, the Company does not presently own or Control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, association, or other entity. None of the Group Companies has any Subsidiary, nor does any of them hold or Control, directly or indirectly, any interest in any other corporation, partnership, trust, joint venture, association or other entity, or maintain any offices or branches other than the BVI Subsidiary, the US Subsidiaries, the HK Subsidiary and the PRC Subsidiaries. The capital and organizational structure of each PRC Subsidiary is valid and in full compliance with relevant PRC Laws.

5.4 Due Authorization. All actions on the part of each Warrantor and, as applicable, its respective officers, directors and shareholders necessary for (i) the authorization, execution and delivery of, and the performance of all of its obligations under the Transaction Documents, and (ii) the authorization, issuance, reservation for issuance and delivery of all of the Subscription Shares, the Conversion Shares and the Adjustment Shares have been taken or will be taken prior to the Closing. Each of the Warrantors has the requisite power, capacity and authority to enter into, execute and deliver each of the Transaction Documents to which it is a party, and to perform all the obligations to be performed by him/her or it hereunder and thereunder. Each of the Transaction Documents, when executed and delivered, will constitute valid and binding obligations of each Warrantor to the extent such Warrantor is a party to such Contract, enforceable against such Warrantor in accordance with its terms, subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar Laws affecting creditors' rights generally and to general equitable principles.

5.5 Valid Issuance of the Subscription Shares. The Subscription Shares and the Adjustment Shares, when issued, sold, delivered and paid for in accordance with the terms of this Agreement, will be duly and validly issued, fully paid and non-assessable. All shares issuable upon conversion of the Subscription Shares and the Adjustment Shares will be duly and validly issued, fully paid and non-assessable. The issuance of the Subscription Shares, the Conversion Shares issued upon conversion of the Subscription Shares and the Adjustment Shares will be issued free and clear of any Liens, any consent rights, anti-dilution rights, rights of first refusal, preemptive rights and all similar rights in connection therewith other than as set out in the Restated Articles.

5.6 Liabilities. Except as disclosed in the Financial Statements, none of the Group Companies has any indebtedness for borrowed money that it has directly or indirectly created, incurred, assumed, or guaranteed, or with respect to which such Group Company has otherwise become directly or indirectly liable. Without limiting the generality of the above, there are no Liabilities imposed, or any obligations or commitments to impose any Liabilities, whether current or contingent, on the Company, the BVI Subsidiary, the US Subsidiaries or the HK Subsidiary, except for those Liabilities or obligations or commitments imposed solely by virtue of incorporation. None of the Group Companies is a guarantor or indemnitor of any indebtedness of any other Person.

5.7 Title to Properties and Assets.

5.7.1 Title. Each Group Company has good and marketable title to, or valid rights to use, all of its properties and assets that it purports to own (including as reflected in its balance sheets of the Financial Statements and in the list of assets to be transferred to the Group Companies attached to the Restructuring Plan and the Qingke Robot Assets Purchase Plan) or that it currently uses, or in the case of leased or subleased properties and assets, that it has valid and subsisting leasehold interests in (except for such assets as have been spent, sold or transferred in the ordinary course of business since the Balance Sheet Date), free and clear of any and all Liens of any party. All amounts due and payable by each Group Company under the Assets Purchase Plan have been paid in full and use of such properties and assets have been in compliance with applicable Laws, orders of Governmental Authorities, or Contracts. The applicable Group Company is in possession of the whole of such properties and assets and no Person is in, or otherwise entitled to, occupation or use thereof. All such properties and assets have the benefit of such rights and easements as are necessary for the existing use thereof by the applicable Group Company. Such properties and assets collectively represent in all respects all properties and assets necessary for the conduct of the business of the Group Companies as presently conducted and proposed to be conducted, and have been properly maintained and are in good working condition. Each Group Company is in compliance with all the leases with respect to the property and assets it leases in all material respects.

5.7.2 Dispute and Defects. There is no outstanding notice or dispute involving any Group Company as to the use of any such properties which would, if implemented or enforced, have a Material Adverse Effect on the business of the applicable Group Company carried out at such properties. There is no outstanding notice or dispute as to any contravention of land zoning or planning legislation or regulations that are currently in effect or any alleged breach of such legislation or regulations in relation to any property of the Group Companies which would, if implemented or enforced, have a Material Adverse Effect on the business of the applicable Group Company carried out at such properties. There are no material defects on such properties and assets and there are no circumstances known to the Warrantors that are likely to lead to such defects which would have a Material Adverse Effect on the business of Group Companies carried out at such properties.

5.8 Status of Proprietary Assets.

5.8.1 Ownership of Proprietary Assets. Each of the Group Companies owns all right, title and interest in and to, free and clear of all Liens, or has all necessary and valid rights to use, all of the Proprietary Assets, and no item of Proprietary Assets is subject to any outstanding injunction, judgment, order, decree, ruling or charge. Each of the Proprietary Assets is valid, enforceable, and subsisting, in full force and effect, and has not been cancelled, expired or abandoned. None of the Warrantors is aware of any notice, claim or assertion that any item of Proprietary Assets is invalid and is aware of any actual, threatened or pending claim, action, opposition, re-examination, interference or cancellation proceeding with respect thereto. Section 5.8.1 of the Disclosure Schedule sets forth a complete and accurate list of each item of Proprietary Assets, including without limitation the Proprietary Assets owned by each Group Company which is a patent, patent application, registered trademark or service mark (or applications and renewals thereof), material unregistered trademark or service mark (including domain name registrations), trade name, domain name, registered copyright (or applications and renewals thereof), material unregistered copyright and Software.

5.8.2 Use of Proprietary Assets. The Group Companies have not interfered with, infringed upon, misappropriated or violated any rights of third parties to the Proprietary Assets due to its use of Proprietary Assets, and the Group Companies have not received any charge, complaint, claim, demand or notice alleging any such interference, infringement, misappropriation or violation, nor is any Warrantor aware of any reasonable basis therefor. No third party has interfered with, infringed upon, misappropriated or violated any rights of the Group Companies to any of the Proprietary Assets. There are no outstanding options, licenses or agreements of any kind granted by any Group Company relating to the Proprietary Assets owned by any Group Company, and such Group Company is not bound by or a party to any options, licenses or agreements of any kind with respect to the Proprietary Assets owned by any other Person, except for standard end-user agreements with respect to commercially available Proprietary Assets such as "off the shelf" computer Software. Each Group Company has used best efforts to protect its title and ownership in the Proprietary Assets owned by such Group Company and the confidentiality of its trade secrets. To the Warrantors' best Knowledge, there has been no material disclosure of any trade secrets of any Group Company by any Person. None of the Group Companies has utilized, or is reasonably likely to utilize, any Proprietary Assets belonging to any other Person, including, without limitation, any of the former employers of any Founder or Key Employee.

5.8.3 Work Products Owned by Group Companies. Each employee who has contributed to or participated in the conception and development of the Proprietary Assets on behalf of such Group Company with respect to the business of such Group Company, either (i) has been a party to a "work-for-hire" arrangement or similar agreement with such Group Company, in accordance with applicable Laws, that has accorded such Group Company full, effective, exclusive, and original ownership of all tangible and intangible property and related rights thereby arising, or (ii) has executed appropriate instruments of assignment in favor of such Group Company that has conveyed to such Group Company full, effective, and exclusive ownership of all tangible and intangible property and related rights thereby arising.

5.8.4 Employees' Invention. None of the Warrantors is aware that any Key Employee of the Group Companies is obligated under any agreement or contract (including licenses, covenants or commitments of any nature) or instrument, or subject to any judgment, decree or order of any court or governmental agency or instrumentality, that would interfere with the use of his best efforts to promote the interests of such Group Company or that would conflict with the business as currently conducted or as proposed to be conducted by such Group Company, or that would prevent such Key Employee from assigning to such Group Company all Proprietary Assets conceived, developed or reduced to practice in connection with services rendered to such Group Company. Neither the execution nor delivery of any Transaction Document, nor the carrying on of the business as currently conducted or as proposed to be conducted by any Group Company, will, to the Warrantors' best Knowledge, conflict with or result in a breach of the terms, conditions or provisions of, or constitute a violation or default under, any such Contract, judgment, decree or order under which any Key Employee is currently obligated. None of the Group Companies believes it is or will be necessary to utilize any inventions of any of its officers or employees (or people it currently intends to hire) made prior to or outside the scope of their employment by such Group Company.

5.8.5 Ownership of Proprietary Assets by Founder. Neither the Founder nor any of his Affiliates (other than the Group Companies) owns any Proprietary Asset which is required or is necessary for the Principal Business of the Group Companies.

5.9 Material Contracts and Obligations.

5.9.1 Definition. For purpose of this Agreement, "**Material Contracts**" means all Contracts (oral or written) that any Group Company is a party to or is bound by, and that:

(a) have an aggregate value, cost or amount, or impose Liability or contingent Liability on any Group Company, in excess of US$300,000;

(b) are not terminable upon thirty (30)-day notice without incurring any penalty or obligation or the termination of which would be reasonably likely to have a Material Adverse Effect;

(c) are not readily to be fulfilled or performed by a Group Company on time or without undue or unusual expenditure of money or efforts or a Group Company does not have the technical and other capabilities or the human and material resources to enable it to fulfill, perform and discharge all its outstanding obligations in the ordinary course of business without realizing a loss on closing of performance;

(d) are material to the conduct and operations of a Group Company's business and properties;

(e) are entered into with any Interested Party, except as disclosed in Section 5.19 of the Disclosure Schedule;

(f) relate to the sale, issuance, grant, exercise, award, purchase, repurchase or redemption of any Equity Securities;

(g) are the five (5) largest Contracts in value in the financial year ended 2018 entered into with a material customer or material supplier of a Group Company or with a Governmental Authority;

(h) involve indebtedness, an extension of credit, a guaranty or assumption of any obligation, or the grant of a Lien;

(i) involve the acquisition or sale of a business, a merger, consolidation, amalgamation, a partnership, joint venture, or similar arrangement, except for the transactions in connection with the Restructuring Plan or the Qingke Robot Assets Purchase Plan;

(j) involve the transfer or license of any Proprietary Asset to or from a Group Company (other than licenses granted from commercially readily available "off the shelf" computer Software), or obligate a Group Company to share or develop any Proprietary Asset with any third party;

(k) contain change in Control, exclusivity, non-competition or similar clauses that may be reasonably expected to impair, restrict or impose conditions on a Group Company's right to offer or sell products or services in specified areas, during specified periods or otherwise;

(l) are entered into by a Group Company with any financial, legal, and other advisors or consultants; or

(m) are otherwise substantially depended on by a Group Company, or are not in the ordinary course of business of a Group Company.

5.9.2 Compliance. All Material Contracts disclosed in Section 5.9 of the Disclosure Schedule are entered into by the applicable Group Company with the relevant contracting parties in writing and have been made available for inspection by the Investor and its counsel. Each Material Contract is a valid, binding and enforceable agreement of the parties thereto, the performance of which does not violate any applicable Law, and is in full force and effect, and the terms thereof have been complied with by the relevant Group Companies and, to the best Knowledge of each Warrantor, by all the other parties thereto. There are no circumstances that are likely to give rise to any breach of such terms, and there are no grounds for rescission, avoidance or repudiation of any of the Material Contracts. No notices of violation, default, termination or intention to terminate (whether or not such notice is in writing) have been received in respect of any Material Contract.

5.10 Litigation.

5.10.1 General. There is no Action pending or, to the best Knowledge of each Warrantor, threatened, against any Group Company or the business of the Group Companies, and each Warrantor is not aware of any event or circumstance that may form a basis for any such Action. The foregoing includes, without limitation, Actions pending or threatened against the Group Companies or the business of the Group Companies (or any basis therefor known to the Warrantors) involving the prior employment of the Founder or any of the Group Company's employees, their use in connection with the business of the Group Companies of any information or techniques allegedly proprietary to any of their former employers, or their obligations under any agreements with former employers. None of the Group Companies is a party or subject to the provisions of any order, writ, injunction, judgment or decree of any court or Governmental Authority. There is no Action by the Group Companies that is currently pending or that any Group Company intends to initiate.

5.10.2 Action Relating to this Agreement. There is no Action pending or, to the best Knowledge of the Warrantors, threatened, that questions the validity of any Transaction Document, or the right of any Group Company to enter into such agreements, or to consummate the transactions contemplated hereby or thereby or that could, individually or in the aggregate, result in a Material Adverse Effect or a change in the current equity ownership of any Group Company.

5.11 Compliance with Laws; Consents and Permits.

5.11.1 General Compliance. Except as set forth in Section 5.16 of the Disclosure Schedule, the Holding Company and each Group Company has been conducting its business activities within its permitted scope of business, and is operating its business in compliance with applicable Laws in all material respects. All Approvals from any Governmental Authority and any third party which are required to be obtained or made by each Warrantor under applicable Laws in connection with the due and proper establishment of the Holding Company and each Group Company and the conduct of the business or the consummation of the transactions contemplated under the Transaction Documents, the absence of which would be reasonably likely to have a Material Adverse Effect, have been obtained or completed in accordance with the relevant Laws, are not in default, and are in full force and effect. None of the Holding Company or the Group Companies is in receipt of any letter or notice from any Governmental Authority notifying revocation of any permits or licenses issued to it for non-compliance or the need for compliance or remedial actions in respect of the activities carried out directly or indirectly by it. In respect of Approvals, licenses or permits required for the conduct of any part of the business of the Group Companies which are subject to periodic renewal, none of the Warrantors or the Holding Company has any reason to believe that such requisite renewals will not be timely granted by the relevant Governmental Authorities.

5.11.2 Compliance with PRC Laws. All Approvals from any PRC Governmental Authority and any third party which are required to be obtained or made by each Warrantor under applicable PRC Laws in connection with (i) the due and proper establishment of the PRC Subsidiaries and the conduct of its business, (ii) the consummation of the transactions contemplated hereunder or under the other Transaction Documents, including but not limited to the Approvals by and with the National Development and Reform Commission, the Ministry of Commerce, the State Administration for Industry and Commerce, the SAFE, tax authorities, customs authorities, environment authorities, and product registration authorities, have been obtained or completed in accordance with the relevant PRC Laws, not in default, and are in full force and effect and there exist no grounds on which any such Approval may be cancelled or revoked or any PRC Subsidiary or its legal representative may be subject to Liability or penalties for misrepresentations or failures to disclose information to the issuing PRC Governmental Authorities.

5.11.3 SAFE. The Founder and any other Person who is required to comply with the SAFE Rules and Regulations has completed registration with SAFE with respect to their direct or indirect holding of Equity Securities in the Company, the BVI Subsidiary, the US Subsidiaries and the HK Subsidiary since their respective incorporation in accordance with the SAFE Rules and Regulations and such Founder or other Person has not received any oral or written inquiries, notifications, orders or any other forms of official correspondence from SAFE with respect to any actual or alleged non-compliance with the SAFE Rules and Regulations. Each of the Holding Company and the Group Companies has fully complied with the SAFE Rules and Regulations in all material aspects and neither the Holding Company nor any Group Company has received any oral or written inquiries, notifications, orders or any other forms of official correspondence from SAFE with respect to any actual or alleged non-compliance with the SAFE Rules and Regulations.

5.11.4 Securities Act Compliance. Based in part on the representations of the Investor set forth in Section 6 below, the offer, sale and issuance of the Subscription Shares in conformity with the terms of this Agreement are exempt from the registration and qualification requirements of all applicable securities Laws, including the Securities Act, and the issuance of Ordinary Shares upon conversion of the Series A Shares, Series B Shares, Series C Shares, Series C-1 Shares and Series C-2 Shares in accordance with the Restated Articles and the issue of the Adjustment Shares will be exempted from such registration or qualification requirements.

5.11.5 Anti-Corruption Laws Compliance. Each Warrantor has not, and to the best Knowledge of each Warrantor, no director, officer, employee, agent or representative of the Holding Company or any Group Company has, taken any action in furtherance of an offer, payment, promise to pay, or authorization or Approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any person to improperly influence official action by that person for the benefit of the Holding Company or any Group Company, or to otherwise secure an improper business advantage for the Holding Company or any Group Company; and each of the Holding Company and the Group Companies has conducted its businesses in compliance with applicable Anti-Corruption Laws and has instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

5.11.6 Anti-Money Laundering Compliance. The operations of the Holding Company and each Group Company have been conducted at all times in material compliance with all applicable financial recordkeeping and reporting requirements and the applicable anti-money laundering Laws of jurisdictions where the business of the Holding Company and each Group Company is conducted respectively, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority (collectively, the "**Anti-Money Laundering Laws**"), and there is no action, suit or proceeding by or before any court or Governmental Authority involving the Holding Company or any Group Company with respect to the Anti-Money Laundering Laws which is pending or, to the best Knowledge of each Warrantor, threatened.

5.11.7 No Sanctions.

(a) Neither the Holding Company nor the Group Company is, and to the best Knowledge of each Warrantor, no director, officer, or employee, agent, affiliate or representative of the Holding Company or any Group Company is, a Person that is, or is owned or controlled by a Person that is:

1. the subject of any sanctions administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control ("**OFAC**") , the United Nations Security Council ("**UNSC**"), the European Union ("**EU**"), Her Majesty's Treasury ("**HMT**"), or other relevant sanctions authority (collectively, "**Sanctions**"); or

2. located, organized or resident in a country or territory that is the subject of Sanctions (including, without limitation, the Crimea region of the Ukraine, Cuba, Iran, North Korea and Syria).

(b) Each Warrantor has not, directly or indirectly, used the proceeds of the offering, or lent, contributed or otherwise made available such proceeds to any Subsidiary, joint venture partner or other Person:

1. to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions; or

2. in any other manner that will result in a violation of Sanctions by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise).

(c) for the past 5 years, each of the Holding Company and the Group Companies has not been or has not knowingly been engaged in any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions.

5.12 Compliance with Other Instruments and Agreements. The Constitutional Documents of each Group Company are valid and have been duly approved or issued (as applicable) by competent Governmental Authorities in the jurisdiction where such Group Company is incorporated. None of the Group Companies is in nor shall the business as currently conducted or proposed to be conducted result in violation, breach or default of any term or provision of the Constitutional Documents, or of any term or provision of any Contract to which such Group Company is a party or by which it may be bound, or of any provision of any Law applicable to or binding upon such Group Company. None of the activities, Contracts or rights of any Group Company is ultra vires or unauthorized. The execution, delivery and performance of and compliance with this Agreement and any other Transaction Document and the consummation of the transactions contemplated hereby and thereby will not result in any such violation, breach or default, or be in conflict with or constitute, with or without the passage of time or the giving of notice or both, either a default under any Group Company's Constitutional Documents or any Contract to which such Group Company is a party or by which it may be bound or a violation of any Law or an event which results in the creation of any Lien upon any Equity Security or asset of any Group Company.

5.13 Disclosure. Each Warrantor has fully provided the Investor with all information necessary or desirable for the Investor to decide whether to subscribe for the Subscription Shares and all information that such Warrantor believes to be reasonably necessary to enable such Investor to make such decision. No information or materials provided by any of the Warrantors to the Investor in connection with the transactions contemplated under the Transaction Documents and negotiation or execution of the Transaction Documents contains any untrue statement of a material fact, or omits to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they are made, not misleading.

5.14 Registration Rights. Except as provided in the Transaction Documents, no Group Company has granted or agreed to grant any Person any registration rights (including piggyback registration rights) with respect to, nor is any Group Company obliged to list, any Group Company's Equity Securities on any securities exchange. Except as contemplated under this Agreement or the Shareholders Agreement, there are no voting or similar agreements which relate to any Group Company's Equity Securities.

5.15 Insurance. Each Group Company has obtained and maintains the insurance coverage of the same types and at the same coverage levels as other similarly situated companies in the same industry in which such Group Company operates its business or possesses its properties and assets, in accordance with its best commercial practices. To the best Knowledge of each Warrantor, nothing has been done or omitted to be done by or on behalf of any Group Company which would make any policy of insurance void or voidable or enable the insurers to avoid the same and there is no claim outstanding under any such policy and, to the best Knowledge of each Warrantor, there are no facts or circumstances likely to give rise to such claim or result in an increased rate of premium. All information furnished in obtaining or renewing the insurance policies of each Group Company was correct, full and accurate when given and any change in that information required to be given was correctly given. No Group Company is in default under any of these policies. No Group Company has suffered any uninsured losses or waived any rights of material or substantial value or allowed any insurance to lapse. No claim under any policy of insurance taken out in connection with the business or assets of any Group Company is outstanding and, to the best Knowledge of each Warrantor, there are no facts or circumstances likely to give rise to such a claim.

5.16 Financial Statements. The Group Companies have delivered to the Investor a true and complete copy of the Financial Statements and such Financial Statements provide a true and fair view of the financial position of the Group Companies. Except as set forth in Section 5.16 of the Disclosure Schedule, such Financial Statements (i) have been prepared in accordance with the books and records of each Group Company, (ii) are true, correct and complete and present fairly the financial condition of such Group Company at the date or dates therein indicated and the results of operations for the period or periods therein specified, and (iii) have been prepared in accordance with PRC GAAP, applied on a consistent basis, except as to the unaudited consolidated Financial Statements, for the omission of notes thereto and normal year-end audit adjustments. Specifically, but not by way of limitation, the balance sheets included in the Financial Statements disclose all of each Group Company's debts, Liabilities and obligations of any nature, whether due or to become due, as of their respective dates (including, without limitation, absolute Liabilities, accrued Liabilities, and contingent Liabilities) to the extent such debts, Liabilities and obligations are required to be disclosed on a balance sheet in accordance with PRC GAAP, other than current Liabilities that were incurred after the Balance Sheet Date in the ordinary course of business consistent with its past practices that are not material in the aggregate. All revenues, costs and other expenses as reflected in the Financial Statements are truly, correctly and appropriately recorded and recognized in accordance with PRC GAAP. All revenues are derived from transactions entered into by the Group Companies with Persons that are not Interested Parties on arm's length terms. Each Group Company maintains and will continue to maintain a standard system of accounting established and administered in accordance with PRC GAAP.

5.17 Activities since Balance Sheet Date. Since the Balance Sheet Date, with respect to each Group Company there has not been:

5.17.1 any change in the assets, Liabilities, financial condition or operating results of such Group Company from that reflected in the Financial Statements, except changes in the ordinary course of business of such Group Company that have not been adverse to such Group Company;

5.17.2 any change in the contingent obligations of such Group Company by way of guarantee, endorsement, indemnity, warranty or otherwise;

5.17.3 any damage, destruction or loss, whether or not covered by insurance, adversely affecting the assets, properties, financial condition, operating results, prospects or business of such Group Company (as presently conducted and as proposed to be conducted);

5.17.4 any waiver by such Group Company or the Founder of a valuable right or of any debt;

5.17.5 any satisfaction or discharge of any Lien or payment of any obligation by such Group Company, except such satisfaction, discharge or payment made in the ordinary course of business of such Group Company that do not constitute or result in, the aggregate, a Material Adverse Effect;

5.17.6 any material change or amendment to a Material Contract or arrangement which such Group Company or any of its assets or properties is bound by or subject to, except for changes or amendments which are expressly provided for or disclosed in this Agreement;

5.17.7 any change in any compensation arrangement or agreement with any Key Employee;

5.17.8 any sale, assignment or transfer of any Proprietary Assets or other intangible assets of such Group Company;

5.17.9 any resignation or termination of employment with any Key Employee;

5.17.10 any mortgage, pledge, transfer of a security interest in, or Lien created by any Warrantor, with respect to any of such Group Company's properties or assets, except for Liens for Taxes not yet due or payable;

5.17.11 any debt, obligation, or Liability incurred, assumed or guaranteed by such Group Company not in the ordinary course of business and with a sum of more than RMB1,000,000;

5.17.12 any declaration, setting aside or payment or other distribution in respect of any of such Group Company's Equity Securities, or any direct or indirect redemption, purchase or other acquisition of any of such Equity Securities by such Group Company;

5.17.13 any failure to conduct business in the ordinary course of business;

5.17.14 any transactions with any Interested Party except as disclosed in Section 5.19 of the Disclosure Schedule;

5.17.15 any other event or condition of any character which could reasonably be expected to constitute or result in a Material Adverse Effect; or

5.17.16 any agreement or commitment by any Warrantor to do any of the things described in this Section 5.17.

5.18 Tax Matters.

5.18.1 Except as set forth in Section 5.18 of the Disclosure Schedule, all Tax Returns have been made, given or kept within the requisite periods and on a proper basis in accordance with all applicable laws, regulations and interpretations and are up-to-date and accurate, complete and correct in all material respects; and none of them is, or, to the best Knowledge of each Warrantor, is likely to be, the subject of any dispute with any taxation authority.

5.18.2 Each Group Company has paid all Taxes which it has become liable to pay and is under no obligation or Liability to pay any penalty or interest in connection with any claim for taxation.

5.18.3 Each Group Company is in possession of sufficient information to enable it to compute its Tax Liability insofar as it depends on any transaction occurring on or before the Closing.

5.18.4 Without prejudice to any Tax obligation or Liability which may arise under this Agreement or in connection with the transactions contemplated hereunder, there is no Tax Liability in respect of which a claim for any Tax against any Group Company could be made under any Transaction Documents and there are no circumstances which could reasonably be expected to give rise to such obligation or Liability.

5.18.5 There are no matters relating to Taxes in respect of which each Group Company (either alone or jointly with any other Person) has, or at the Closing will have, an outstanding entitlement to make:

(a) any claim (including a supplementary claim) for Relief;

(b) any election, including an election for one type of Relief, or one basis, system or method of Taxation, as opposed to another any appeal or further appeal against an assessment to taxation;

(c) any application for the postponement of, or payment by installments of, any Tax or to disclaim or require the postponement of any allowance or Relief; or

(d) any court proceedings which may be made or taken by any Group Company within the appropriate time limit after the Closing.

5.18.6 No Relief (whether by way of deduction, reduction, set-off, exemption, postponement, roll-over, hold-over, repayment or allowance or otherwise) from, against or in respect of any Tax has been claimed and/or given to any Group Company which could or might be effectively withdrawn, postponed, restricted, clawed back or otherwise lost as a result of any act, omission, event or circumstance arising or occurring at or at any time after the Closing.

5.18.7 No Group Company has, since the Balance Sheet Date, taken any action which has had, or will have, the result of altering, prejudicing or in any way disturbing any arrangement or agreement which it has previously had with any Tax authority.

5.18.8 Since the Balance Sheet Date, none of the Group Companies has incurred any Taxes, assessments or governmental charges other than in the ordinary course of business and each Group Company has made adequate provisions on its books of account for all Taxes, assessments and governmental charges with respect to its business, properties and operations for such period, including any and all Taxes (whether or not shown on any Tax Return) that have accrued but are not yet due or payable as of the applicable date stated in the Financial Statements.

5.18.9 None of the Group Companies has ever claimed or been adjudged to be resident in the US (either under the terms of an applicable tax treaty or under the US tax Laws which consider whether a person has a closer connection to a jurisdiction other than the US for tax purposes). This warranty is given in relation to each natural person who is an ultimate beneficial owner or beneficiary of the Warrantors and each of the Warrantors warrants that it is not itself, nor is it beneficially owned by, an entity created or organized in or under the laws of the US or an estate or trust that is treated as a US Person.

5.18.10 No Group Company is, has ever been, nor will become, as a result of the transactions contemplated herein, a "controlled foreign corporation" ("**CFC**"), as defined in section 957 of the Code, or a "passive foreign investment company", as defined in section 1297 of the Code ("**PFIC**"). Each Group Company is treated as a corporation for US federal income tax purposes. Each Group Company does not anticipate that it will become a PFIC or CFC for the current taxable year or any future taxable year.

5.18.11 There has not been any inappropriate or incorrect recognition of revenues or expenses that could result in a Tax Liability for any Group Company.

5.18.12 Each Group Company has maintained proper and accurate documentation and records to support and provide evidence that all transactions entered into by the Group Companies are on arm's length terms and to defend any claim by a Governmental Authority that any Group Company has engaged in transfer pricing practices.

5.19 Interested Party Transactions. Except as disclosed in Section 5.19 of the Disclosure Schedule, none of the Interested Parties is directly or indirectly interested in any transaction entered into by a Group Company, nor has any of them had, either directly or indirectly, a material interest in (i) any Person which purchases from or sells, licenses, furnishes, or provide to a Group Company any goods, property, intellectual or other property rights or services; or (ii) any Person that competes with a Group Company. None of the Interested Parties is indebted to any Group Company nor is any Group Company indebted (or committed to make loans or extend or guarantee credit) to any Interested Party (other than for accrued salaries, reimbursable expenses or other standard employee benefits). Any transaction between any Group Company and any Interested Party or among any Interested Parties is at a fair market price on an arm's length basis.

5.20 Restructuring. Other than as specifically set out in this Agreement, each of the Group Companies has completed the Restructuring in accordance with the Restructuring Plan, and all Approvals necessary for the Restructuring have been obtained.

5.21 Employee Matters.

5.21.1 General. Except as set forth in Section 5.21 of the Disclosure Schedule, each Group Company (i) is in compliance in all material aspects with all applicable Laws respecting employment, employment practices and terms and conditions of employment, including without limitation the applicable PRC Laws pertaining to welfare funds, social benefits, medical benefits, insurance, retirement benefits and pensions; (ii) has withheld and reported all amounts required by any applicable Law or any Contract to be withheld and reported with respect to wages, salaries and other payments to employees; (iii) is not liable for any arrear of wages, Tax or penalty for failure to comply with any of the foregoing; and (iv) other than as required by applicable Laws, is not liable for any payment to any trust or fund governed by or maintained by or on behalf of any Governmental Authority with respect to unemployment compensation benefits, social security or other benefits or obligations for employees. There are no pending or, to the Group Company's best Knowledge, threatened or reasonably anticipated Actions against any Group Company under any worker's compensation policy or long-term disability policy. No Group Company has direct or indirect Liability with respect to any misclassification of any Person as an independent contractor rather than as an employee.

5.21.2 Employment Relation. Each full-time employee and officer of the Group Companies has duly executed an Employment-Related Agreement which is in full force and effect and binding upon and enforceable against each such Person, and to the best Knowledge of each Warrantor, none of the full-time employees or officers is in violation thereof. None of the Warrantors is aware that any Key Employee intends to terminate his or her employment with any Group Company, nor does any Group Company have a present intention to terminate the employment of any Key Employee. There is no share incentive, share option, profit sharing, or other incentive arrangement for or affecting any current or former employee or worker of any Group Company. Except as required by applicable Laws, no Group Company has or maintains any employee benefit plan, employee pension plan, medical insurance, or life insurance to which any Group Company contributed or is obligated to contribute thereunder for current or former employees of any Group Company.

5.22 No Other Business.

5.22.1 Company. The Company was formed solely to acquire and hold the Equity Securities in the BVI Subsidiary and the US Subsidiary and since its formation has not engaged in any other business and has not incurred any Liability in the course of its business of acquiring and holding its Equity Securities in the BVI Subsidiary and the US Subsidiary.

5.22.2 BVI Subsidiary. The BVI Subsidiary was formed solely to acquire and hold Equity Securities in the HK Subsidiary and since its formation has not engaged in any other business and has not incurred any Liability in the course of its business of acquiring and holding its Equity Securities in the HK Subsidiary.

5.22.3 US Subsidiary. The US Subsidiary was formed solely to acquire and hold Equity Securities in Jersey Standard Inc. and since its formation has not engaged in any other business and has not incurred any Liability in the course of its business of acquiring and holding its Equity Securities in Jersey Standard Inc.

5.22.4 HK Subsidiary. The HK Subsidiary was formed solely to acquire and hold Equity Securities in the WFOE and since its formation has not engaged in any other business and has not incurred any Liability in the course of its business of acquiring and holding its Equity Securities in the WFOE.

5.22.5 PRC Subsidiaries. The PRC Subsidiaries are engaged solely in the Principal Business and have no other business activities.

5.23 Minute Books. The minute books of each Group Company which have been made available to the Investor contain a complete summary of all meetings and actions taken by directors, shareholders or owners of such Group Company since its formation, and reflect all material transactions referred to in such minutes accurately in all respects.

5.24 Financial Advisor Fees. There exists no Contract between any Warrantor or any of its or his/her Affiliates and any investment bank or other financial advisors under which such Warrantor may owe any brokerage, placement or other fees relating to the issue of the Subscription Shares. No Warrantor has retained any finder or broker in connection with the transactions contemplated by this Agreement.

5.25 Obligations of Management. Each of the Founder and the Key Employees is devoting one hundred percent (100%) of his working time and attention to the business of the Group Companies and has been using his best efforts to develop the business and care for the interests of the Group Companies, and none of the Founder or Key Employees is planning to work less than full time at the Group Companies in the future. None of the Founder or Key Employees, directly or indirectly, owns, manages, is engaged in, operates, Controls, works for, consults with, renders services for, does business with, maintains any interest in (proprietary, financial or otherwise) or participates in the ownership, management, operation, or Control of, any Restricted Business, whether in corporate, proprietorship or partnership form or otherwise.

5.26 Insolvency. Immediately prior to the Closing, (a) the aggregate assets of each Group Company, at a fair valuation, exceed or will exceed the aggregate debt of each such entity, as the debt becomes absolute and mature, and (b) each Group Company does not incur or intend to incur, and will not have incurred or intended to incur debt beyond its ability to pay such debt as such debt becomes absolute and matures. There has not been commenced against any Group Company an involuntary case under any applicable national, provincial, city, local or foreign bankruptcy, insolvency, receivership or similar Law now in effect, or any Action for the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of such Person or for any substantial part of its property or for the winding up or liquidation of its affairs.

5.27 Control Documents. The Control Documents have been executed and delivered by the relevant parties thereto and the Investor has been provided with a copy of each Control Document duly executed by all the parties thereto. In addition, all equity interests of the Domestic Company have been pledged to the WFOE in accordance with the Control Documents and such pledge has been registered with the competent Governmental Authority. All consents required in connection with the Control Documents have been made or unconditionally obtained in writing, and no such consent has been withdrawn or is subject to any condition precedent which has not been fulfilled or performed. Each Control Document is in full force and effect and no party to any Control Document is in breach or default in the performance or observance of any of the terms or provisions of such Control Document.

6. REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

The Investor represents and warrants to the Company that it has all requisite power, authority and capacity to enter into the Transaction Documents to which it is a party, and to perform its obligations hereunder and thereunder. Each Transaction Document to which it is a party has been duly authorized, executed and delivered by the Investor. Each Transaction Document to which it is a party, when executed and delivered by the Investor, will constitute valid and legally binding obligations of the Investor, enforceable against the Investor in accordance with its terms and subject, as to enforcement of remedies, to applicable bankruptcy, insolvency, moratorium, reorganization and similar Laws affecting creditors' rights generally and to general equitable principles.

7. COVENANTS OF THE WARRANTORS

The Warrantors hereby jointly and severally covenant to the Investor as follows:

7.1 Use of Proceeds from the Issue of the Subscription Shares. The proceeds from the issuance and sale of the Subscription Shares shall be used for the working capital of the Company, and shall not be used to repay any debt of any Group Company or any of its Affiliates, to repurchase, redeem or cancel any Equity Securities, to make any payments to shareholders or directors of the Company, or to make any payments to any Interested Party or for any other purpose, without the prior written approval of the Investor.

7.2 Business of the Group Companies. Except as otherwise approved by the Board and the shareholders of the Company in accordance with the Restated Articles, the business of each Group Company shall be restricted to their respective business as set forth in Section 5.22 above.

7.3 Ordinary Shares Lock-up. Any Ordinary Shares directly or indirectly held by the Founder shall not be transferable except as provided in (i) the Shareholders Agreement, (ii) the Share Mortgage among the Holding Company, the Company and NORTH HAVEN PRIVATE EQUITY ASIA HARBOR COMPANY LIMITED dated July 31, 2017, and (iii) the Share Mortgage among the Founder, the Holding Company and NORTH HAVEN PRIVATE EQUITY ASIA HARBOR COMPANY LIMITED dated July 31, 2017.

7.4 Compliance.

7.4.1 General. The Warrantors shall cause the Group Companies to conduct their respective businesses as now conducted and as proposed to be conducted in compliance with all applicable Laws on a continuing basis, including but not limited to the Laws regarding foreign investments, corporate registration and filing, import and export, customs administration, foreign exchange, construction and interior decoration, environment, advertisement, telecommunication and e-commerce, intellectual property rights, taxation, labor and social welfare, welfare funds, social benefits, medical benefits, insurance, retirement benefits, and pensions or the like.

7.4.2 Business Permits or Licenses. Each of the Group Companies shall, and each of the Warrantors shall cause such Group Company to, at all times maintain the appropriate governmental permits or licenses required to conduct the Principal Business and any other business conducted by the Group Companies at any given time, and shall not permit any Group Company to conduct any business for which it does not have the appropriate governmental permits or licenses.

7.4.3 SAFE Registration. The Founder and any other Person who is required to comply with the SAFE Rules and Regulations shall, and each of the Warrantors shall cause them to, at their own expense, fully comply with all requirements of the PRC Governmental Authorities with respect to their direct or indirect holding of Equity Securities in the Holding Company, the Company, the BVI Subsidiary, the US Subsidiaries and the HK Subsidiary on a continuing basis (including, but not limited to, all reporting obligations imposed by and all Approvals and permits required by the SAFE Rules and Regulations and the PRC Governmental Authorities in connection therewith).

7.4.4 Employment. The PRC Subsidiaries shall, and each of the Warrantors shall cause each employee to, carry out, perform, and complete all actions and steps with respect to the contributions to the Social Security Funds in compliance with the PRC Laws. The Warrantors agree that they shall jointly and severally indemnify and hold harmless the Group Companies and the Investor against any losses, claims, damages, or Liabilities to which they may become exposed under the PRC Laws, insofar as such losses, claims, damages, or Liabilities (or actions in respect thereof) arise out of or are based upon any breach or violation of the PRC Laws with respect to the contribution of the Social Security Funds.

7.4.5 Anti-Corruption Laws Compliance. Each of the Holding Company and the Group Companies shall not, and each of the Warrantors shall procure that any director, officer, employee, agent or representative of the Holding Company or any Group Company shall not, take any action in furtherance of an offer, payment, promise to pay, or authorization or approval of the payment or giving of money, property, gifts or anything else of value, directly or indirectly, to any person to improperly influence official action by that person for the benefit of the Holding Company or any Group Company, or to otherwise secure an improper business advantage for the Holding Company or any Group Company. Each of the Holding Company and the Group Companies shall conduct its businesses in compliance with applicable Anti-Corruption Laws, and will continue to maintain policies and procedures designed to promote and achieve compliance with such Laws.

7.4.6 Anti-Money Laundering Compliance. Each of the Holding Company and the Group Companies shall ensure that the operations of the Holding Company and each Group Company shall continue to be conducted at all times in material compliance with all applicable financial recordkeeping and reporting requirements and the Anti-Money Laundering Laws.

7.4.7 No Sanctions.

(a) None of the Holding Company nor the Group Companies shall, directly or indirectly, use the proceeds of the offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person:

1. to fund or facilitate any activities or business of or with any Person or in any country or territory that, at the time of such funding or facilitation, is the subject of Sanctions; or

2. in any other manner that will result in a violation of Sanctions by any Person (including any Person participating in the offering, whether as underwriter, advisor, investor or otherwise).

(b) None of the Holding Company nor the Group Companies shall engage in any dealings or transactions with any Person, or in any country or territory, that at the time of the dealing or transaction is or was the subject of Sanctions.

7.5 Financial Matters and other Information. Each Group Company shall keep adequate records and books of account, in which all entries shall be made on a consistent basis in accordance with PRC GAAP, accurately reflecting all financial transactions of such Group Company, to the extent required by PRC GAAP, and in which, for each fiscal year, all proper reserves for depreciation, depletion, obsolescence, amortization, Taxes, bad debts and other purposes in connection with its business shall be made in accordance with PRC GAAP. Each Group Company shall continue to maintain a standard system of accounting established and administered in accordance with PRC GAAP and shall comply with all applicable Laws relating to financial reporting on a continuous basis. Without limiting the generality of the foregoing, all debts, Liabilities and obligations, revenues, costs and other expenses of the Group Companies shall be accurately recorded and recognized in accordance with PRC GAAP. Without the Investor's prior written consent, none of the Group Companies may enter into any transaction with any Interested Party. All cash payments and receipts of any Group Company shall be conducted using bank accounts opened and maintained under the name of and operated by such Group Company and no use of any other Person's bank accounts for or on behalf of such Group Company shall be permitted. For the purpose of the initial public offering of the Company or upon the request of the Investor, the financial matters mentioned above and the financial statements of the Group Companies shall instead be prepared in accordance with the US GAAP.

7.6 Tax Matters.

7.6.1 Compliance. Each Group Company shall comply and will cause any entity which each Group Company controls to comply on an annual basis with respect to its taxable year with all record-keeping, reporting, and other requirements necessary for such Group Company and any entity which such Group Company controls to comply with any applicable tax Law or to allow any direct or indirect shareholder or owner to avail itself of any applicable provision of tax Laws. The Group Companies shall also provide any direct or indirect shareholder or owner with any documentation or information requested by such direct or indirect shareholder or owner to allow such shareholder to comply with applicable tax Laws.

7.6.2 PFIC. The Company shall use its best efforts not to become, and cause its current or future Subsidiaries not to become, a PFIC. As long as any Investor holds any shares or securities in the Company, and without limiting any other tax-related provisions in the Transaction Documents, the Company shall promptly provide such Investor all assistance, cooperation, information and documents which such Investor may reasonably request from time to time (a) to establish whether the Company or any of its Subsidiaries is or is likely to become a PFIC; (b) to enable such Investor to make a "qualified electing fund" election with respect to the Company under section 1295 of the Code (a "**QEF Election**") in any tax year; (c) generally to enable such Investor to comply with all obligations imposed on it under the Code with respect to the Company or any of its Subsidiaries as a possible PFIC, including without limitation all obligations arising out of a QEF Election; and (d) delivered relevant information requested by the Investor.

7.6.3 Tax Gross Up. All payments under this Agreement or any other Transaction Document by the Company or any other Group Company shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the BVI, the United States and Hong Kong, unless such withholding or deduction is required by law. In that event the Company shall pay such additional amounts as will result in the receipt by the Investor of such amounts as would have been received by it if no such withholding or deduction had been required.

7.6.4 Notification regarding US Person. The Company shall, and the Warrantors shall procure the Company to, promptly notify the Investor if any existing shareholder of the Company or any spouse, parent or child thereof is or becomes either a US citizen, a US resident, or a green card holder. This requirement shall apply to any existing shareholder of the Company other than a natural person, (i) if any beneficial owner or beneficiary or spouse, parent, or child thereof is or becomes a US citizen, a US resident, or a green card holder, or (ii) if the existing shareholder itself becomes, or becomes beneficially owned by, an entity created or organized in or under the laws of the US or an estate or trust that is treated as a US person.

7.6.5 US Tax Elections. At the request of the Investor, each Group Company and each Warrantor shall cooperate with the Investor in (i) the prompt preparation and filing of 'check the box' elections effective at least 2 days prior to the Closing to specify the US tax classification of each Group Company, (ii) the prompt conversion of each Group Company that is not currently eligible to make a check the box election into a company form which is eligible to make such an election, and (iii) taking any other action that is reasonably requested to enhance, rationalize, and/or simplify the US tax treatment of the Group Companies, it being understood that (x) no check the box election shall have any bearing on the tax treatment or legal status of the subject entity for non-US purposes, (y) no conversion or action shall be undertaken as described above if it is determined that doing so would have an adverse impact on any of the Group Companies or any existing shareholders of the Company, and (z) the reasonable costs and expenses incurred in this connection shall be promptly paid or reimbursed by the Investor. Each Group Company and each Warrantor shall cooperate in the timely adoption of resolutions, if and when necessary, and the execution and filing of such forms and other documentation as the Investor may request in this respect.

7.7 Filing of Restated Articles. Within fifteen (15) Business Days following the due adoption of the Restated Articles by the Company, the Restated Articles shall be duly filed with the Registrar of Companies of the Cayman Islands.

7.8 Stamp Duty. Unless otherwise specified in any other Transaction Document, the Company agrees to pay (a) any and all stamp or other similar documentary taxes or duties (including any interest and penalties thereon or in connection therewith) payable in connection with the authorization, issuance or delivery of the Subscription Shares, the Conversion Shares and the Adjustment Shares and the execution, delivery and performance of this Agreement and the other Transaction Documents; and (b) any value added tax payable in connection with the commissions or other amounts payable or allowed under this Agreement and the other Transaction Documents, and the Company shall indemnify promptly upon demand the Investor against any Liabilities, losses, costs, expenses (including, without limitation, legal fees and value added tax thereon) and claims, actions or demands which it may incur as a result of or arising out of or in relation to any failure to pay or delay in paying any of the same. Notwithstanding the above, the Company will pay any stamp, issue, registration, documentary or other taxes and duties, including interest and penalties, payable in respect of the creation, issue and offering of the Subscription Shares, the execution or delivery of this Agreement and other Transaction Documents, the conversion of the Subscription Shares into Ordinary Shares and the issuance and delivery of Adjustment Shares. The Company will also indemnify the Investor from and against all stamp, issue, registration, documentary or other taxes paid by any of them in any jurisdiction in connection with any action taken by or on behalf of the Investor to enforce the obligations of the Company under this Agreement or other Transaction Documents.

7.9 Efforts for Consummation of Transaction. Each of the Warrantors shall do and perform all things required to be done and performed under the Transaction Documents prior to and after the Closing Date in order to consummate the transactions contemplated by the Transaction Documents on a timely basis, including giving such notices and obtaining all other Approvals of all Governmental Authorities and other third parties that are or may become necessary for its execution and delivery of, and the performance of its obligations under, this Agreement and other Transaction Documents and shall cooperate fully with the other Parties hereto in promptly seeking to obtain all governmental and regulatory approvals that are required to be obtained prior to or after the Closing.

7.10 Material Adverse Effect. After the date of this Agreement and prior to the Closing Date, each Group Company shall not, and each of the Warrantors shall procure that each Group Company shall not, do anything or take any step, action or measure (or omit to take the same), which has or could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

7.11 Maintenance of Properties. The Company shall and shall procure that each of its Subsidiaries shall cause all material properties owned by it or used or held for use in the conduct of its business to be maintained and kept in reasonably good condition, repair and working order (ordinary wear and tear excepted) and supplied with all reasonably necessary equipment and cause to be made all reasonably necessary repairs, renewals, replacements, betterments and improvements thereof, all as in its reasonable judgment may be consistent with sound business practice and necessary so that the business carried on in connection therewith may be properly conducted.

7.12 Use of Investor's Name or Logo. Without the prior written consent of the Investor, and whether or not the Investor is a shareholder of the Company, none of the Group Companies, their shareholders (excluding the Investor), nor the Founder shall use, publish or reproduce the names of the Investor or any similar names, trademarks or logos in any of their marketing, advertising or promotion materials or otherwise for any marketing, advertising or promotional purposes.

7.13 Proprietary Asset Registration. The Warrantors shall, upon the reasonable request of the Investor, use their best efforts to cause registration of the relevant Proprietary Assets necessary for the conduct of the Principal Business with the relevant Governmental Authorities as soon as practicable, including without limitation the trademarks and software copyrights listed in Section 5.8.1 of the Disclosure Schedule.

7.14 Internal Control System. The Group Companies shall, as soon as practicable but in no event later than six (6) months after the Closing, adopt and implement an internal control system satisfactory to the Investor, including without limitation:

7.14.1 The Group Companies shall establish a supplier selection criteria and system (such as adopting public bidding process in selection of interior decoration contractors, or requiring landlords to sign decoration agreements independently with qualified interior decoration contractors);

7.14.2 The Group Companies shall prepare and collect all the relevant documents of the self-developed Proprietary Assets to fulfill the requirements of Proprietary Asset capitalization; and

7.14.3 The Group Companies shall evaluate the possibility of carry-back of Group Companies' accumulated loss in future in order to determine whether it shall be recognized as deferred Tax assets.

7.15 Tax Compliance Letter. As soon as practicable before the QIPO, the Group Companies shall apply for and obtain Tax compliance letters from all competent Tax authorities, indicating that there is no historical non-compliance with the Group Companies' payment of business Tax.

7.16 Non-solicitation. From the date of this Agreement to the Closing Date, each of the Warrantors and their respective officers and directors shall not, and shall cause its other representatives not to, directly or indirectly, (i) solicit, or initiate any proposal (a "**Proposal**") relating to (A) direct or indirect acquisition or purchase of any debt, equity or equity-linked securities (including any and all shares of Equity Securities of the Group Companies, securities of the Group Companies convertible into, or exchangeable or exercisable for, such shares, and options, warrants or other rights to acquire such shares and any securities that represent the right to receive such equity securities) or any tender offer or exchange offer or (B) a merger, amalgamation, share exchange or consolidation, (C) a sale of all or substantially all of the assets of the Group Companies or (D) any other capital raising transaction by the Company or any of its Group Companies, (ii) participate in any discussions or negotiations regarding or furnish to any Person any information or otherwise facilitate any inquiries or the making of any proposal that constitutes, or may reasonably be expected to lead to, any Proposal (other than a modified Proposal of the Investor, if any), or (iii) authorize, engage in, or enter into any agreement or understanding with respect to, any Proposal, in each case, other than with the Investor and its representatives. Each of the Warrantors and their respective officers and directors shall, and each of the Warrantors shall cause its other representatives to, immediately terminate any existing activities or discussions in relation to any Proposal with any other party other than the Investor and its representatives. The Warrantors will immediately (within one Business Day) advise the Investor of, and inform the Investor of the terms of, and the identity of the Person making any Proposal that any of the Warrantors or any of their representatives or Affiliates may receive from the date of this Agreement to the Closing Date.

7.17 Obligations of Management; Non-Compete and Non-Solicitation. Until the third (3rd) anniversary of the consummation of a QIPO, the Founder shall devote all of his working time and attention to the business of the Group Companies and shall use his or her best efforts to develop the business and care for the interests of the Group Companies. The Founder hereby further covenants and undertakes that, unless conducted through the Group Companies or upon the prior written consent of the Investor, during the period when he or she is holding any office in and/or has any direct or indirect interest in any Group Company and for a further period of three (3) years thereafter, he or she shall not, (i) directly or indirectly through any Affiliate, own, manage, be engaged in, operate, Control, work for, consult with, render services for, do business with, maintain any interest in (proprietary, financial or otherwise) or participate in the ownership, management, operation, or Control of, any business, whether in corporate, proprietorship or partnership form or otherwise, that is within or related to the Restricted Business or otherwise Competes with any Group Company, or (ii) solicit, induce or encourage any employees of the Group Companies to leave such employment or hire, employ or otherwise engage any such individual, or cause, induce or encourage any material actual or prospective client, customer, supplier, licensee or licensor of the Group Companies or any other Person who has a material business relationship with the Group Companies, to terminate or modify to the detriment of the Group Companies any such relationship. For the avoidance of doubt, after the Closing, the Warrantors shall procure that Qingke Shishang and its Subsidiaries shall not conduct any other business and take any other actions unless otherwise contemplated under the Transaction Documents or the Restructuring Plan or with the prior written consent of the Investor.

7.18 Business Operation of Minqing Property and Tangqing Property. Within three (3) months after the Closing, each of the Warrantors shall procure that Minqing Property and Tangqing Property shall commence operation of the Principal Business, with evidence thereof being furnished to the Investor to its satisfaction.

7.19 Lease Registration. As soon as practicable but in any event within six (6) months after the Closing, the Group Companies shall register each of their lease agreements for lease and sub-lease with the competent Governmental Authority, with evidence thereof being furnished to the Investor to its satisfaction.

7.20 Real Estate Agency Filing. As soon as practicable but in any event within three (3) months after the Closing, the Warrantors shall procure that each PRC Subsidiary which is engaged in the real estate agency business shall complete all applicable filings with the real estate department of the applicable Governmental Authority.

7.21 Transfer of Proprietary Asset of Qingke Shishang. As soon as practicable but in any event within three (3) months after Closing, the Warrantors shall procure that one copy right of computer software currently owned by Qingke Shishang the particulars of which is set out in Exhibit IX shall be transferred to the Company or any other Group Company.

7.22 Notice and Cure. Each Warrantor shall notify the Investor in writing of, and contemporaneously shall provide the Investor with true and complete copies of any and all information or documents relating to, and shall use best efforts to cure before the Closing, any event, transaction or circumstance, as soon as practicable after it becomes known to the relevant party, occurring after the date of this Agreement that causes or will cause any covenant or agreement of any Warrantor under this Agreement to be breached or that renders or will render untrue any representation or warranty of any Warrantor contained in this Agreement as if the same were made on or as of the date of such event, transaction or circumstance. Should any such event, transaction or circumstance require any change in the Disclosure Schedules hereto if such Disclosure Schedules were dated the date of the occurrence or discovery of any such event, transaction or circumstance, at and only at the request of the Investor, the Company shall promptly deliver to the Investor a supplement to the Disclosure Schedules specifying such change ("**Updated Disclosure Schedule**"). Without Investor's consent, no notice or Updated Disclosure Schedule given pursuant to this Section 7.22 shall have any effect on the representations, warranties, covenants or agreements contained in this Agreement for purposes of determining satisfaction of any condition contained herein or shall in any way limit the Investor's right to seek indemnity under this Agreement.

7.23 Update Share Pledge under the Control Documents. As soon as practicable but in any event within three (3) months after Closing, the Warrantors shall procure that the relevant Group Companies shall have updated the registration of the share pledge under the Control Documents to reflect an increase from RMB 600,000,000 to the RMB equivalent amount of US$310,000,000.

7.24 No Further Lien. Without the prior written consent of the Investor, no further Lien shall be created over (i) the shares of the Holding Company held by the Founder; and (ii) the Ordinary Shares of the Company held by the Holding Company.

7.25 Additional Covenants.

7.25.1 Except as required by this Agreement, no resolution of the directors, owners, members, partners or shareholders of the Group Companies shall be passed, nor shall any Contract be entered into, in each case, prior to the Closing without the prior written consent of the Investor, except that each Group Company shall carry on its respective business in the same manner as heretofore and may pass resolutions and enter into Contracts so long as they are effected in the ordinary course of business and on arms'-length terms. Each Warrantor shall not, and shall procure that each Group Company shall not, undertake any of the matters set out in Exhibit C of the Shareholders Agreement prior to Closing, without the prior written consent of the Investor.

7.25.2 If at any time before the Closing, any Warrantor comes to know of any material fact or event which (i) has resulted or would result in a breach of the Warranties, (ii) is inconsistent with the Warranties in any material aspects, (iii) suggests that material fact warranted may not be as warranted or may be misleading, or (iv) might affect the willingness of a prudent investor to consummate the transactions as contemplated hereunder or the amount of consideration which the Investor would be prepared to pay for the Subscription Shares, such Warrantor shall give immediate written notice thereof to the Investor in which event the Investor may terminate this Agreement by written notice without any penalty whatsoever and without prejudice to any rights that the Investor may have under this Agreement or applicable Laws.

7.25.3 Prior to Closing, each Warrantor shall, and shall procure that each Group Company shall, give reasonable access to the premises and all the books and records of each Group Company, and the Warrantors shall procure that the directors and employees of each Group Company shall provide to the Investor all information relating to the transactions contemplated under the Transaction Documents as the Investor may request.

8. CONDITIONS TO INVESTOR'S OBLIGATIONS AT THE CLOSING

The obligations of the Investor to consummate the transactions under Section 2 of this Agreement are subject to the fulfillment, to the satisfaction of the Investor on or prior to the Closing, or waiver by the Investor, of the following conditions:

8.1 Representations and Warranties True and Correct. The Warranties made by the Warrantors in Section 5 shall be true and correct and complete when made, and shall be true and correct and complete as of the Closing Date with the same force and effect as if they have been made on and as of the Closing Date, except in either case for those representations and warranties that address matters only as of a particular date, which representations will have been true and complete as of such particular date.

8.2 Performance of Obligations. Each Warrantor shall have performed and complied with all agreements, obligations and conditions contained in this Agreement, including but not limited to the applicable provisions in Section 8 that are required to be performed or complied with on or before the Closing.

8.3 Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated hereby and all documents and instruments incident to such transactions shall be satisfactory in substance and form to the Investor, and the Investor shall have received all such counterpart originals, certified copies or such other true copies of documents as it may reasonably request.

8.4 Good Standing. The Investor shall have received a certificate of good standing issued by the Registrar of Companies of the Cayman Islands certifying that the Company was duly constituted, paid all required fees and is in good legal standing.

8.5 Due Diligence. The Investor shall have completed its business, legal, financial due diligence investigation of the Group Companies to its satisfaction.

8.6 Approval by Investment Committee. The Investor shall have received all necessary internal approvals, including approval by its Investment Committee, of the transactions contemplated hereunder and under all other Transaction Documents.

8.7 Execution of Transaction Documents. At the Closing, the Company shall have delivered to the Investor each of the Transaction Documents, duly executed by the Company and all other parties thereto (except for the Investor), and the Restated Articles shall have been duly adopted by the Company by all necessary corporate actions of the Board and its shareholders.

8.8 No Material Adverse Effect. There shall have been no event or events which, in the sole determination of the Investor, would have a Material Adverse Effect on the Group Companies taken as a whole or on the financial markets in general.

8.9 Approvals, Consents and Waivers. Each Warrantor shall have obtained any and all Approvals necessary for the consummation of the transactions contemplated hereby and the Restructuring contemplated under the Restructuring Plan, and the Qingke Robot Assets Purchase Plan including but not limited to Approvals of any Governmental Authority or third party, the waiver by the existing shareholders of the Company of any consent rights, anti-dilution rights, rights of first refusal, preemptive rights and all similar rights in connection with the issuance of the Subscription Shares at the Closing and the issue of the Conversion Shares and the Adjustment Shares, each of which shall be in full force and effect as of the Closing, and shall have delivered copies of the foregoing to the Investor.

8.10 No Injunction; No Action. No injunction, restraining order or order of any nature by a Governmental Authority shall have been issued as of the Closing Date that could prevent or materially interfere with the consummation of the transactions contemplated under the Transaction Documents; and no stop order suspending the qualification or exemption from qualification of any of the Securities in any jurisdiction shall have been issued and no Proceeding for that purpose shall have been commenced or, to the best Knowledge of the Company after due inquiry, be pending or threatened as of the Closing Date. No action shall have been taken and no applicable Law shall have been enacted, adopted or issued that could, as of the Closing Date, reasonably be expected to prevent the consummation of the transactions contemplated under the Transaction Documents. No Proceeding shall be pending or, to the best Knowledge of the Company after due inquiry, threatened other than Proceedings that if adversely determined would not, individually or in the aggregate, adversely affect the issuance or marketability of the Subscription Shares, or could not, individually or in the aggregate, have a Material Adverse Effect. None of the Group Companies has taken any step, action or measure (or omitted to take the same), which has or could be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

8.11 Compliance Certificates. The Investor shall have received on the Closing Date a certificate dated the Closing Date, signed by each Warrantor and the chief executive officer (or an equivalent officer of such Warrantor) to the effect that (a) the representations and warranties set forth in Section 4 are true and correct with the same force and effect as though expressly made at and as of the date of delivery of the Financial Statements and the Closing Date, (b) each Group Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date, (c) at the Closing Date, since the date hereof or since the date of the most recent financial statements, no event or events have occurred, no information has become known nor does any condition exist that could, individually or in the aggregate, have a Material Adverse Effect, (d) since the date of the most recent financial statements, none of the Group Companies has incurred any Liabilities or obligations, direct or contingent, not in the ordinary course of business, or entered into any other transactions not in the ordinary course of business, and there has not been any change in the Equity Securities or long-term indebtedness of any of the Group Companies, in each case, which could, individually or in the aggregate, have a Material Adverse Effect, and (e) the sale of any of the Subscription Shares has not been enjoined (temporarily or permanently).

8.12 Financial Statements. The Investor shall have received the Financial Statements.

8.13 Business Operation Plan and Budget. The Investor shall have received a twelve-month after-investment business operation plan and budget of the Group Companies to its satisfaction.

8.14 Huarui Bank Waiver Letter. The Company shall have received a letter signed by Huarui Bank, in form and substance satisfactory to the Investor, certifying that, as of the date thereof: (i) the loan agreement (and any amendments thereof, collectively as the "**Huarui Loan Agreement**") between the Domestic Company and Huarui Bank dated September 26, 2016 has been performed by the Domestic Company in good standing; and (ii) there is no claim made by Hairui Bank against the Group Companies (as applicable) for any failure to comply any covenants and/or obligations under Huarui Loan Agreement.

9. CONDITIONS TO COMPANY'S OBLIGATIONS AT THE CLOSING

The obligations of the Company to consummate the transactions under Section 2 of this Agreement are subject to the fulfillment, to the satisfaction of the Company, at or before the Closing, or waiver by the Company, of the following conditions:

9.1 Representations and Warranties. The representations and warranties of the Investor contained in Section 6 hereof shall be true and correct when made and as of the Closing and by reference to the facts then existing.

9.2 Execution of Transaction Documents. At the Closing, the Investor shall have delivered to the Company each of the Transaction Documents to which it is a party, duly executed by the Investor.

10. INDEMNIFICATION

10.1 Indemnification. Each of the Warrantors (each such Person being referred to as an "**Indemnifying Party**"), jointly and severally, agrees to indemnify and hold harmless the Investor, each of its Affiliates and their respective officers, directors, partners, shareholders, counsel, employees and agents (the Investor and each such other Person being referred to as an "**Indemnified Party**"), to the fullest extent lawful, from and against any losses, claims, damages, diminution in value, Liabilities and reasonable expenses (or actions in respect thereof) (collectively, the "**Damages**"), directly or indirectly, arising out of, relating to or resulting from:

(a) actions taken or omitted to be taken by any of the Warrantors or their respective Affiliates, officers, directors, employees or agents prior to the Closing; or

(b) any breach by any of the Warrantors or their respective Affiliates of any of the representations, warranties, covenants and agreements set forth in any Transaction Document, and will reimburse the Indemnified Parties for all reasonable expenses (including, without limitation, fees and expenses of counsel) as they are incurred in connection with investigating, preparing, defending or settling any such action or claim, whether or not in connection with litigation in which any Indemnified Party is a named party. If any of the Indemnified Parties' personnel appears as witnesses, are deposed or are otherwise involved in the defense of any action against an Indemnified Party, the Indemnifying Parties will reimburse the Investor for all reasonable expenses incurred by the Investor by reason of any of the Indemnified Parties being involved in any such action.

10.2 Specific Indemnities. Notwithstanding anything to the contrary herein, each of the Indemnifying Parties, jointly and severally, agrees to indemnify and hold harmless the Indemnified Parties, from and against any and all Damages, whether or not involving a third party claim, including reasonable attorneys' fees, arising out of, relating to or resulting from:

(a) any failure to pay Social Security Funds contribution by any Group Company before the Closing;

(b) any failure to obtain any Approval required for the business operation of any Group Company, or any failure by a Group Company to comply with applicable PRC Laws to conduct the Principal Business;

(c) any Tax Liability of any Group Company accrued before the Closing (for the avoidance of doubt, including but not limited to any Tax Liability in connection with the failure to perform any withholding obligations);

(d) any Tax Liability occurred due to the incompleteness or defects in the agreements entered into with the landlords and/or tenants;

(e) any Liability related to the goods purchase agreement and goods lease agreement entered into or to be entered into by and between the Group Companies and Shanghai Jiaya Shiye Co. Ltd. (□□□□□□□□□□) other than the payment of goods subscription price or goods rentals pursuant to the said agreements;

(f) any undisclosed Liabilities of the Group Companies prior to the Closing. Such indemnification shall not be prejudiced by or be otherwise subject to any disclosure (in the Disclosure Schedule or otherwise);

(g) any Liability resulting from a failure by a Group Company to complete the filings with the real estate department of the relevant Government Authority in respect of each PRC Subsidiary which is engaged in the real estate agency business;

(h) any Liability resulting from a failure by a Group Company to complete the lease registration for each lease agreement leased by or to such Group Company;

(i) any Liability resulting from a failure by a Group Company (x) to comply with the usage stated on the Certificate of Land Use Right to the State Owned Land (□□□□□□□□) or the Certificate of Real Property Ownership (□□□□□) (as the case may be), or (y) to obtain the landlord's consent in respect of the land or property on which the apartments are situated and leased by the Group Companies for the Principal Business;

(j) any Liability in connection with or arising from a breach of the Accommodation Services Agreement by a Group Company arising as a result of a breach of the real property management agreement (□□□□□□) with the relevant landlords;

(k) any Liability resulting from a failure by a PRC Subsidiary to register its service centers as a branch;

(l) any Liability arising from a failure by the Company to complete the transfer of the assets as set out in the Qingke Robot Assets Purchase Plan and any defect relating to the software development contract between Qingke Robot and the Domestic Company;

(m) any Liability arising from (x) a failure to transfer the Proprietary Assets owned by Qingke Shishang to the Company, (y) a failure to impose non-compete restrictions on Qingke Shishang after the completion of the Restructuring or (z) a failure to collect the account receivables to be collected from any third parties including but not limited to Shanghai Yijia Investment Co., Ltd. (□□□□□□□□□□);

(n) any Liability resulting from a failure by a PRC Subsidiary to comply with the requirements as stipulated in the loan agreement (and any amendments thereof) between the Domestic Company and Huarui Bank dated September 26, 2016;

(o) any Liability arising from the outsourcing of labor by a Group Company;

(p) any direct damages caused to the Group Companies arising from any transactions with any Interested Party during ordinary course of business that are not conducted on arm's length terms; and

(q) any Liability resulting from a breach by Qingke Public Rental of the receivables pledge agreement and the receivables pledge registration agreement between Qingke Public Rental and Lujiazui International Trust Co., Ltd. (□□□□□□□□□□) dated January 26, 2017 and February 28, 2017 respectively.

10.3 Procedures. As promptly as reasonably practicable after receipt by an Indemnified Party under this Section 10 of notice of the commencement of any action for which such Indemnified Party is entitled to indemnification under this Section 10, such Indemnified Party will, if a claim in respect thereof is to be made against the Indemnified Party under this Section 10, notify the Indemnifying Party of the commencement thereof in writing; but the omission to so notify the Indemnifying Party (i) will not relieve such Indemnifying Party from any Liability under Section 10.1 above and (ii) will not, in any event, relieve the Indemnifying Party from any obligations to any Indemnified Party otherwise than the indemnification obligation provided in Section 10.1 above. In case any such action is brought against any Indemnified Party, and it notifies the Indemnifying Party of the commencement thereof, the Indemnifying Party will be entitled to participate therein and, to the extent that it may determine, jointly with any other Indemnifying Party similarly notified, to assume the defense thereof, with counsel satisfactory to such Indemnified Party (who shall not, except with the consent of the Indemnified Party, be counsel to the Indemnifying Party) at the expense of the Indemnifying Party; provided, however, that if (i) the use of counsel chosen by the Indemnifying Party to represent the Indemnified Party would present such counsel with a conflict of interest, (ii) the actual or potential defendants in, or targets of, any such action include both the Indemnified Party and the Indemnifying Party and the Indemnified Party shall have been advised by counsel that there may be one or more legal defenses available to it and/or other Indemnified Party that are different from or additional to those available to the Indemnifying Party, (iii) the Indemnifying Party shall not have employed counsel satisfactory to the Indemnified Party to represent the Indemnified Party within a reasonable time after notice of the institution of such action or (iv) the Indemnifying Party shall authorize the Indemnified Party to employ separate counsel at the expense of the Indemnifying Party, then, in each such case, the Indemnifying Party shall not have the right to direct the defense of such action on behalf of such Indemnified Party or Parties and such Indemnified Party or Parties shall have the right to select separate counsel (including local counsel) to defend such action on behalf of such Indemnified Party or Parties at the expense of the Indemnifying Party. After notice from the Indemnifying Party to such Indemnified Party of its election to assume the defense thereof and approval by such Indemnified Party of counsel appointed to defend such action, the Indemnifying Party will not be liable to such Indemnified Party under this Section 10 for any legal or other expenses, other than reasonable costs of investigation, subsequently incurred by such Indemnified Party in connection with the defense thereof, unless the Indemnified Party shall have employed separate counsel in accordance with the proviso to the immediately preceding sentence (it being understood, however, that in connection with such action the Indemnifying Party shall not be liable for the expenses of more than one separate counsel (in addition to local counsel) in any one action or separate but substantially similar actions in the same jurisdiction arising out of the same general allegations or circumstances, representing the Indemnified Party who are parties to such action or actions). The Indemnifying Party shall not, without the prior written consent of the Indemnified Party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the Indemnified Party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the Indemnified Party from all Liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any Indemnified Party.

10.4 The indemnity and expense reimbursement obligations set forth herein (i) shall be in addition to any Liability any of the Warrantors may otherwise have to any Indemnified Party, (ii) shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any Investor or any other Indemnified Party and (iii) shall be binding on any successor or assign of the Warrantors or their respective business and assets.

11. TERMINATION.

This Agreement may be terminated at any time prior to the Closing Date pursuant to the following:

(a) the Investor shall be entitled to terminate this Agreement by written notice to the other Parties if since the date hereof, there is any Material Adverse Effect or any development involving or reasonably expected to result in a Material Adverse Effect that could, in the Investor's sole judgment, be expected to (A) make it impracticable or inadvisable to proceed with the offering or delivery of the Subscription Shares on the terms and in the manner contemplated in this Agreement and other Transaction Documents or (B) materially impair the investment quality of the Subscription Shares;

(b) the Investor or the Company shall be entitled to terminate this Agreement by written notice to the other Parties upon any outbreak or escalation of hostilities or other national or international calamity or crisis, including acts of terrorism, or Material Adverse Effect or disruption in economic conditions in, or in the financial markets of, the United States, the European Union, the PRC or Hong Kong (it being understood that any such change or disruption shall be relative to such conditions and markets as in effect on the date hereof), if the effect of such outbreak, escalation, calamity, crisis, act or material adverse change in the economic conditions in, or in the financial markets of, the United States, the European Union, the PRC or Hong Kong could be reasonably expected to make it, in the Investor's sole judgment, impracticable or inadvisable to proceed with the consummation of the transactions on the terms and in the manner contemplated in this Agreement or the Transaction Documents;

(c) the Investor or the Company shall be entitled to terminate this Agreement by written notice to the other Parties upon the enactment, publication, decree or other promulgation after the date hereof of any applicable Law that could be reasonably expected to have a Material Adverse Effect;

(d) the Investor or the Company shall be entitled to terminate this Agreement by written notice to the other Parties upon the termination or unenforceability of other Transaction Documents, provided, however, that the right to terminate this Agreement under this subsection(d) shall not be available to the any Party whose action or failure to act has been the primary cause of or resulted in such termination or enforceability and such action or failure to act constitutes a breach of this Agreement;

(e) the Investor or the Company shall be entitled to terminate this Agreement by written notice to the other Parties if the Closing has not occurred as of the Funding Date, which date may be extended by the Parties through mutual agreement, provided, however, that the right to terminate this Agreement under this subsection(e) shall not be available to any Party whose action or failure to act has been the primary cause of or resulted in the failure of the Closing to occur on or before the Funding Date and such action or failure to act constitutes a breach of this Agreement;

(f) the Investor shall be entitled to terminate this Agreement, at any time prior to the Closing Date, by written notice to the other Parties based upon (i) the Company's breach of its representations, warranties, covenants and obligations under this Agreement or the other Transaction Documents, which has or is reasonably likely to have a Material Adverse Effect on the consummation of the transactions contemplated herein or (ii) a breach of a Warrantor of any of the representations, warranties or covenants set forth in Sections 5.11.5 to 5.11.7 and Sections 7.4.5 to 7.4.7.

If this Agreement is terminated in accordance with this Section 11, (i) all obligations of the Parties hereunder shall terminate, except for the obligations set forth any provisions that expressly survive the termination of this Agreement, provided, that such termination shall not release any Party from any liability that has already accrued as of the effective date of such termination, and shall not constitute a waiver or release of, or otherwise be deemed to prejudice or adversely affect, any rights, remedies or claims, whether for damages or otherwise, which a Party may have hereunder, at law, equity or otherwise or which may arise out of or in connection with such termination; and (ii) in the event that the Investor has already paid any Subscription Price in accordance with Section 2 and Section 3.2, the Company shall repay to the Investor the amount equivalent to such paid Subscription Price plus any accrued interest at a rate of 8% per annum on the paid Subscription Price for the period commencing on and from the date of relevant payment until the date of repayment by the Company in full of the paid Subscription Price and the accrued interests thereon, by remittance of immediately available funds to a bank account of the Investor as designated by the Investor. All bank charges and related expenses for remittance and receipt of funds shall be for the account of the Company.

12. SURVIVAL OF REPRESENTATIONS AND INDEMNITIES.

All the fundamental representations and warranties (including without limitation Section 5.1 to Section 5.8, Section 5.11, Section 5.13, Section 5.14, Section 5.16, Section 5.18 to Section 5.21 and Section 5.27 hereof) (the "**Fundamental Warranties**"), covenants, indemnities and contribution and expense reimbursement provisions and other agreements of any of the Warrantors set forth in this Agreement shall remain operative and in full force and effect, and will survive indefinitely after the Closing, regardless of (i) the termination of this Agreement; or (ii) any investigation, or statement as to the results thereof, made by or on behalf of the parties hereto.

Except for the Fundamental Warranties, all the other Warranties of any of the Warrantors set forth in this Agreement shall remain operative and in full force and effect, and will survive until December 31, 2022, regardless of (i) the termination of this Agreement; or (ii) any investigation, or statement as to the results thereof, made by or on behalf of the parties hereto.

13. SUBSTITUTION OF INVESTOR.

The Investor shall have the right to substitute any one of its Affiliates, respectively, as the Investor of the Subscription Shares, by written notice to the Company. Upon receipt of such notice, wherever the word "Investor(s)" is used in this Agreement (other than in this Section 13), such word shall be deemed to refer to such Affiliate in lieu of the original Investor.

14. MISCELLANEOUS

14.1 Governing Law. This Agreement shall be governed by and construed exclusively in accordance with the Laws of Hong Kong, without giving effect to any choice of law rule that would cause the application of the laws of any jurisdiction other than the Laws of Hong Kong, to the rights and duties of the parties hereunder.

14.2 Successors and Assigns. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the Parties hereto whose rights or obligations hereunder are affected by such amendments. Subject to Section 13, this Agreement and the rights and obligations therein may not be assigned by the Investor without the written consent of the Company except to the Affiliates of the Investor. This Agreement and the rights and obligations therein may not be assigned by any Warrantor without the prior written consent of the Investor.

14.3 Entire Agreement. This Agreement, together with the other Transaction Documents, including the schedules and exhibits hereto and thereto, which are hereby expressly incorporated herein by this reference, constitute the entire understanding and agreement between the Parties with regard to the subjects hereof and thereof; provided, however, that nothing in this Agreement or any other Transaction Document shall be deemed to terminate or supersede the provisions of any confidentiality and nondisclosure agreements executed by the Parties hereto prior to the date hereof, which agreements shall continue in full force and effect until terminated in accordance with their respective terms.

14.4 Notices. Except as may be otherwise provided herein, all notices, requests, waivers and other communications made pursuant to this Agreement shall be in writing and shall be conclusively deemed to have been duly given (a) when hand delivered to the other Party, upon delivery; (b) when sent by facsimile at the number set forth in Exhibit VII hereto, upon receipt of confirmation of error-free transmission; (c) seven (7) Business Days after deposit in the mail as air mail or certified mail, receipt requested, postage prepaid and addressed to the other Party as set forth in Exhibit VII; or (d) three (3) Business Days after deposit with an overnight delivery service, postage prepaid, addressed to the Parties as set forth in Exhibit VII with next-business-day delivery guaranteed, provided that the sending Party receives a confirmation of delivery from the delivery service provider. Each Person making a communication hereunder by facsimile shall promptly confirm by telephone to the Person to whom such communication was addressed each communication made by it by facsimile pursuant hereto but the absence of such confirmation shall not affect the validity of any such communication. A Party may change or supplement the addresses given above, or designate additional addresses, for purposes of this Section 14.4 by giving, the other Party written notice of the new address in the manner set forth above.

14.5 Amendments. Any term of this Agreement may be amended and the observance thereof may be waived (either generally or in a particular instance and either retroactively or prospectively) only with a written instrument duly executed by the Company and the Investor. Any amendment or waiver effected in accordance with this Section 14.5 shall be binding upon each Party and its assigns.

14.6 Delays or Omissions; Waivers. No delay or omission to exercise any right, power or remedy accruing to any Party hereto, upon any breach or default of any Party hereto under this Agreement, shall impair any such right, power or remedy of such Party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of any similar breach of default thereafter occurring; nor shall any waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit or Approval of any kind or character on the part of any Party of any condition or breach of default under this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement or by Laws or otherwise afforded to any Party shall be cumulative and not alternative.

14.7 Interpretation; Titles and Subtitles. This Agreement shall be construed according to its fair language. The rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this Agreement. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement. Unless otherwise expressly provided herein, all references to Sections, Schedules and Exhibits herein are to Sections, Schedules and Exhibits of this Agreement. Unless a provision hereof expressly provides otherwise: (i) the term “or” is not exclusive; (ii) the terms “herein”, “hereof”, and other similar words refer to this Agreement as a whole and not to any particular section, subsection, paragraph, clause, or other subdivision; and (iii) the masculine, feminine, and neuter genders will each be deemed to include the others.

14.8 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one instrument.

14.9 Severability. If any provision of this Agreement is found to be invalid or unenforceable, then such provision shall be construed, to the extent feasible, so as to render the provision enforceable and to provide for the consummation of the transactions contemplated hereby on substantially the same terms as originally set forth herein, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement, which shall remain in full force and effect unless the severed provision is essential to the rights or benefits intended by the Parties. In such event, the Parties shall use best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement which most nearly affects the Parties’ intent in entering into this Agreement.

14.10 Joint and several liability. All obligations and liabilities of, and indemnities given by, the Warrantors pursuant to this Agreement and the Transaction Documents shall be joint and several.

14.11 Confidentiality and Non-Disclosure.

14.11.1 Disclosure of Terms. The terms and conditions of this Agreement and the Transaction Documents and all exhibits and schedules attached to such agreements, including their existence, and any information relating to the business, financial or other matters of the Group Companies obtained by the Investor (collectively, the "**Confidential Information**"), shall be considered confidential information and shall not be disclosed by any Party hereto to any third party except in accordance with the provisions set forth below; provided that such Confidential Information shall not include any information that is in the public domain other than caused by the breach of the confidentiality obligations hereunder.

14.11.2 Press Releases, etc. Any press release issued by the Company shall not disclose any of the Confidential Information and the final form of such press release shall be approved in advance in writing by the Investor. No other announcement regarding any of the Confidential Information in a press release, conference, advertisement, announcement, professional or trade publication, mass marketing materials or otherwise to the general public may be made without the prior written consent of the Investor.

14.11.3 Permitted Disclosures. Notwithstanding the foregoing, any Party may disclose any of the Confidential Information to its current or bona fide prospective investors, employees, investment bankers, lenders, partners, accountants and attorneys, in each case only where such persons or entities are under appropriate nondisclosure obligations. Without limiting the generality of the foregoing, the Investor shall be entitled to disclose the Confidential Information for the purposes of fund reporting or inter-fund reporting or to its fund manager, other funds managed by its Affiliates, fund manager and its auditors, counsel, directors, officers, employees, shareholders or investors.

14.11.4 Legally Compelled Disclosure. In the event that any Party is requested or becomes legally compelled (including without limitation, pursuant to securities laws and regulations) to disclose the existence of this Agreement, other Transaction Documents, any of the exhibits and schedules attached to such agreements, or any of the Confidential Information in contravention of the provisions of this Section 14.11, such Party (the "**Disclosing Party**") shall provide the other Parties (the "**Non-Disclosing Parties**") with prompt written notice of that fact and use all reasonable efforts to seek (with the cooperation and reasonable efforts of the other Parties) a protective order, confidential treatment or other appropriate remedy. In such event, the Disclosing Party shall furnish only that portion of the information which is legally required to be disclosed and shall exercise reasonable efforts to keep confidential such information to the extent reasonably requested by any Non-Disclosing Party.

14.11.5 Other Information. The provisions of this Section 14.11 shall be in addition to, and not in substitution for, the provisions of any separate nondisclosure agreement executed by any of the Parties with respect to the transactions contemplated hereby.

14.11.6 Affiliates. Each Party shall cause each of its Affiliates to comply with all of the restrictions, limitations and obligations set forth in this Section 14.11 as if it were a party hereto.

14.12 Further Assurances. Each Party shall from time to time and at all times hereafter make, do, execute, or cause or procure to be made, done and executed such further acts, deeds, conveyances, consents and assurances without further consideration, which may reasonably be required to effect the transactions contemplated by this Agreement and the Transaction Documents.

14.13 Dispute Resolution. The Parties agree to negotiate in good faith to resolve any dispute between them regarding this Agreement. If the negotiations do not resolve the dispute to the reasonable satisfaction of all Parties within thirty (30) days after the commencement of the negotiation, such dispute shall be referred to and finally settled by arbitration at Hong Kong International Arbitration Centre ("**HKIAC**"). The arbitration shall be conducted in Hong Kong and shall be administered by the HKIAC in accordance with the HKIAC Administered Arbitration Rules in force at the time of the commencement of the arbitration. However, if such rules are in conflict with the provisions of this Section 14.13, the provisions of this Section 14.13 shall prevail. The dispute shall be referred to an arbitration tribunal consisting of three arbitrators appointed in accordance with the HKIAC Administered Arbitration Rules. The decision of the tribunal shall be final and binding on the Parties, and the prevailing Party may apply to a court of competent jurisdiction for enforcement of such award. The costs and expenses of the arbitration, including the fees of the arbitral tribunal, shall be borne and paid by the Parties in such proportions as the arbitral tribunal shall determine. The language of the arbitration shall be English.

14.14 Expenses.

14.14.1 If (x) the Closing has occurred, or (y) the Agreement is terminated for one of the reasons set out below, the Company shall reimburse the Investor all fees and expenses (including any legal fees, accountant's fees, or professional advisor's fees) incurred by the Investor in connection with the negotiation, execution, delivery and performance of the Transaction Documents, provided that such fees and expenses shall not exceed US$500,000 in aggregate:

(a) if there has been a breach by a Warrantor of Section 7.16; or

(b) the failure by the Company to disclose any information of any Group Company to the Investor which might affect the willingness of a prudent investor to consummate the transactions as contemplated hereunder or the amount of consideration which the Investor would be prepared to pay for the Subscription Shares.

14.14.2 If this Agreement is terminated for any reason other than as set out in Section 14.14.1, save for the repayment by the Company of the paid Subscription Price and the accrued interests thereon to the Investor in accordance with Section 11, all fees and expenses incurred by the Investor shall be borne by the Investor.

14.14.3 The Company shall pay forthwith all fees and expenses directly to any party which has been engaged by the Investor for the purposes of its investment in the Company if such fees and expenses have not been paid by the Investor to such party.

14.14.4 Any fees and expenses to be reimbursed by the Company to the Investor pursuant to this Section 14.14 shall be payable by the Company within fifteen (15) days after the Closing Date or the delivery of such termination notice (as the case may be).

14.14.5 The provisions of this Section 14.14 shall survive any termination of this Agreement.

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IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE COMPANY:

Q&K INTERNATIONAL GROUP LIMITED

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Chief Executive Office

THE BVI SUBSIDIARY:

QK365.COM INC.

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Sole Director

THE US SUBSIDIARY:

QK365.COM INC.

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Sole Director

THE HK SUBSIDIARY:

QINGKE (CHINA) LIMITED

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Sole Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE WFOE:

Q&K INVESTMENT CONSULTING CO., LTD. (□□□□□□□□□□)
(Sealed)

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Legal Representative

[SIGNATURE PAGE TO SERIES C-1 PREFERRED SHARE SUBSCRIPTION AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE DOMESTIC COMPANY:

SHANGHAI QINGKE ELECTRICS COMMERCE CO., LTD. (□□□□□□□□□□□□)
(Sealed)

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Legal Representative

QINGKE CHUANGYI:

SHANGHAI QINGKE CHUANGYI INDUSTRIAL SUPPORTING PROPERTY MANAGEMENT CO., LTD. (□□□□□□□□□□□□□□□□□□□□)
(Sealed)

By: /s/ Qiong Hong
Name: Qiong Hong (□□)
Title: Legal Representative

SUZHOU QINGKE:

SUZHOU QINGKE INFORMATION TECHNOLOGY CO., LTD. (□□□□□□□□□□□□□)
(Sealed)

By: /s/ Qiong Hong
Name: Qiong Hong (□□)
Title: Legal Representative

BEIJING QINGKE:

BEIJING QINGKE PROPERTY MANAGEMENT CO., LTD. (□□□□□□□□□□□□□)
(Sealed)

By: /s/ Rufeng Teng
Name: Rufeng Teng (□□□)
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

LINGQING PROPERTY:

SHANGHAI LINGQING PROPERTY MANAGEMENT CO., LTD. (□□□□□□□□□□□□)
(Sealed)

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Legal Representative

MINQING PROPERTY:

SHANGHAI MINQING PROPERTY SERVICE CO., LTD. (□□□□□□□□□□□□)
(Sealed)

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Legal Representative

TANGQING PROPERTY:

SHANGHAI TANGQING PROPERTY MANAGEMENT CO., LTD. (□□□□□□□□□□□□)
(Sealed)

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Legal Representative

QINGTENG INVESTMENT:

SHANGHAI QINGTENG INVESTMENT MANAGEMENT LLP (□□□□□□□□□□(□□□□))
(Sealed)

By: /s/ Guiying Song
Name: Guiying Song (□□□)
Title: Designated Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

SHANGHAI QINGKE TRADING:

SHANGHAI QINGKE TRADING CO., LTD. (□□□□□□□□□□)
(Sealed)

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Legal Representative

QINGKE PUBLIC RENTAL:

SHANGHAI QINGKE PUBLIC RENTAL HOUSING LEASEHOLD OPERATION AND MANAGEMENT COMPANY LIMITED BY SHARE (□□□□□□□□□□□□□□□□□□□□□□□□)
(Sealed)

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Legal Representative

GUQING PROPERTY:

SHANGHAI GUQING PROPERTY MANAGEMENT CO., LTD. (□□□□□□□□□□□□□)
(Sealed)

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Legal Representative

QINGKE EQUIPMENT RENTAL:

SHANGHAI QINGKE EQUIPMENT RENTAL CO., LTD. (□□□□□□□□□□□□□)
(Sealed)

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

BAOSHAN PUBLIC RENTAL:

SHANGHAI BAOSHAN QINGKE PUBLIC RENTAL LEASED HOUSING OPERATION AND MANAGEMENT CO., LTD. (□□□□□□□□□□□□□□□□□□□□□□)
(Sealed)

By: /s/ Rufeng Teng
Name: Rufeng Teng (□□□)
Title: Legal Representative

JIAXING PUBLIC RENTAL:

JIAXING QINGKE PUBLIC RENTAL HOUSING LEASEHOLD INVESTMENT MANAGEMENT COMPANY LIMITED BY SHARE (□□□□□□□□□□□□□□□□□□□□□□□□)
(Sealed)

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Legal Representative

HANGZHOU QINGKE:

HANGZHOU QINGKE APARTMENT MANAGEMENT CO., LTD. (□□□□□□□□□□□□□)
(Sealed)

By: /s/ Rufeng Teng
Name: Rufeng Teng (□□□)
Title: Legal Representative

GUANGZHOU QINGKE:

GUANGZHOU QINGKE APARTMENT HOTEL MANAGEMENT CO., LTD. (□□□□□□□□□□□□□□□□)
(Sealed)

By: /s/ Rufeng Teng
Name: Rufeng Teng (□□□)
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

TIANJIN QINGKE:

TIANJIN QINGKE APARTMENT MANAGEMENT CO., LTD. (□□□□□□□□□□□□)
(Sealed)

By: /s/ Rufeng Teng
Name: Rufeng Teng (□□□)
Title: Legal Representative

CHENGDU QINGKE:

CHENGDU QINGKE APARTMENT MANAGEMENT CO., LTD. (□□□□□□□□□□□□)
(Sealed)

By: /s/ Rufeng Teng
Name: Rufeng Teng (□□□)
Title: Legal Representative

NANJING QINGKE:

NANJING QINGKE APARTMENT MANAGEMENT CO., LTD. (□□□□□□□□□□□□)
(Sealed)

By: /s/ Rufeng Teng
Name: Rufeng Teng (□□□)
Title: Legal Representative

HEFEI QINGKE:

HEFEI QINGKE PROPERTY MANAGEMENT CO., LTD. (□□□□□□□□□□□□)
(Sealed)

By: /s/ Rufeng Teng
Name: Rufeng Teng (□□□)
Title: Legal Representative

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

XIAMEN QINGKE:

XIAMEN QINGKE APARTMENT MANAGEMENT CO., LTD. (□□□□□□□□□□□□)
(Sealed)

By: /s/ Rufeng Teng
Name: Rufeng Teng (□□□)
Title: Legal Representative

WUHAN QINGKE:

WUHAN QINGKE APARTMENT HOTEL MANAGEMENT CO., LTD. (□□□□□□□□□□□□□□□)
(Sealed)

By: /s/ Rufeng Teng
Name: Rufeng Teng (□□□)
Title: Legal Representative

JIAXING QINGKE TALENT APARTMENT:

JIAXING QINGKE TALENT APARTMENT CONSTRUCTION AND DEVELOPMENT CO., LTD. (□□□□□□□□□□□□□□□□□)
(Sealed)

By: /s/ Guangjie Jin
Name: Guangjie Jin (□□□)
Title: Legal Representative

JIAXING HUICAI:

JIAXING HUICAI PROPERTY MANAGEMENT CO., LTD. (□□□□□□□□□□□□)
(Sealed)

By: /s/ Zhaochun Zheng
Name: Zhaochun Zheng (□□□)
Title: Director

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

THE FOUNDER:

/s/ Guangjie Jin
JIN Guangjie

THE HOLDING COMPANY:

BILL.COM INC.

By: /s/ Guangjie Jin
Name: JIN Guangjie
Title: Sole Director

[SIGNATURE PAGE TO SERIES C-2 PREFERRED SHARE SUBSCRIPTION AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have caused their respective duly authorized representatives to execute this Agreement as of the date and year first above written.

INVESTOR:

CP QK Singapore Pte Ltd.

By: /s/ Lawrence Lim
Name: Lawrence Lim
Title: Authorized Signatory

[SIGNATURE PAGE TO SERIES C-2 PREFERRED SHARE SUBSCRIPTION AGREEMENT]

EXHIBITS

Exhibit I	Definitions and Interpretation
Exhibit II	Capitalization Table Immediately Prior to and After the Closing
Exhibit III	Subsidiaries of Domestic Company
Exhibit IV	Form of Shareholders Agreement
Exhibit V	Form of Restated Articles
Exhibit VI	Disclosure Schedule
Exhibit VII	List of Key Employees
Exhibit VIII	Notices
Exhibit IX	Proprietary Assets of Qingke Shishang

EXHIBIT I

PART I: DEFINITIONS

"**Action**"	means an action, suit, proceeding, claim, arbitration or investigation.
"**Additional ESOP Shares**"	means 5,175,000 Class A Ordinary Shares which have been reserved for ESOP.
"**Adjustment Shares**"	means the Performance Adjustment Shares or the QIPO Adjustment Shares, as the case may be.
"**Affiliate**"	of a given Person means, (i) in the case of a Person other than a natural person, any other Person that directly, or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with, such given Person, or (ii) in the case of a natural person, any other Person that directly or indirectly is Controlled by such given Person or is a Family Member of such given Person. For the avoidance of doubt, the Affiliates of the Group Companies shall, among others, include the Qingke Shishang Group Companies.
"**Agreement**"	has the meaning given in the Recitals.
"**Anti-Corruption Laws**"	means any applicable Law, including, but not limited to, the Foreign Corrupt Practices Act of the United States (15 U.S.C. §§ 78dd-1, et seq.), as amended, or any similar Laws of any Governmental Authority, regarding any contribution, gift, bribe, rebate, payoff, influence payment, kickback, or other payment to any Government Official, regardless of form, whether in money, property, or services.
"**Approval**"	means any approval, authorization, release, order, or consent required to be obtained from, or any registration, qualification, designation, declaration, filing, notice, statement or other communication required to be filed with or delivered to, any Governmental Authority or any other Person.
"**Anti-Money Laundering Laws**"	has the meaning given in Section 5.11.6.
"**Balance Sheet Date**"	means December 31, 2018.
"**Baoshan Public Rental**"	has the meaning given in Exhibit III.
"**Beijing Qingke**"	has the meaning given in Exhibit III.
"**Beijing Qingke Investment**"	has the meaning given in Exhibit III.
"**Big-Four Accounting Firm**"	means any of KPMG, PricewaterhouseCoopers (PwC), Deloitte Touche Tohmatsu (Deloitte) and Ernst & Young (EY).
"**Board**"	means the board of directors of the Company.

"**Business Day**"	means a day (other than a Saturday or a Sunday) that the banks in Hong Kong, the PRC, or the City of New York are generally open for business.
"**BVI**"	means the British Virgin Islands.
"**BVI Subsidiary**"	has the meaning given in the Recitals.
"**CFC**"	has the meaning given in Section 5.18.10.
"**Chengdu Qingke**"	has the meaning given in Exhibit III.
"**Circular 37**"	means Circular 37, issued by SAFE on July 4, 2014, titled "the Notice on Relevant Issues Concerning Foreign Exchange Administrative for Domestic Residents to Engage in Overseas Investment and Financing and Round Trip Investment via Special Purpose Vehicles," effective as of July 4, 2014.
"**Class A Ordinary Shares**"	means the Company's class A ordinary shares, par value US$0.00001 per share.
"**Class B Ordinary Shares**"	means the Company's class B ordinary shares, par value US$0.00001 per share.
"**Closing**"	means the consummation of the issuance and subscription of the Subscription Shares as contemplated under this Agreement.
"**Closing Account**"	has the meaning given in Section 3.2.
"**Closing Date**"	means the date on which the Closing occurs as contemplated under this Agreement.
"**Code**"	means the US Internal Revenue Code of 1986, as amended.
"**Company**"	has the meaning given in the Recitals.
"**Competes**"	with any Group Company means a Person, directly or indirectly, owns, manages, engages in, operates, controls, works for, consults with, renders services for, does business with, maintains any interest in (proprietary, financial or otherwise) or participates in the ownership, management, operation or control of, any Restricted Business, whether in corporate, proprietorship or partnership form or otherwise; provided, however, that such restrictions shall not apply to the acquisition by such Person, directly or indirectly, of less than 2% of the outstanding shares of any publicly traded company engaged in a Restricted Business.
"**Confidential Information**"	has the meaning given in Section 14.11.1.
"**Constitutional Documents**"	means the constitutional documents of the respective Group Company which may include, as applicable, memoranda and articles of association, by-laws, joint venture contracts and the like.

"**Contracts**"	means legally binding contracts, agreements, engagements, purchase orders, commitments, understandings, indentures, notes, bonds, loans, instruments, leases, mortgages, franchises, licenses or any other contractual arrangements or obligations, which are currently subsisting and not terminated or completed (with each of such Contracts being referred to as a "**Contract**").
"**Control**"	of a given Person means the power or authority, whether exercised or not, to direct the business, management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, contractual arrangement or otherwise, which power or authority shall conclusively be presumed to exist upon possession of beneficial ownership or power to direct the vote of more than fifty percent (50%) of the votes entitled to be cast at a meeting of the members or shareholders of such Person or power to control the composition of the board of directors or similar governing body of such Person; and the term "**Controlled**" has the meaning correlative to the foregoing.
"**Control Documents**"	means the following contracts entered into by the WFOE, the Domestic Company and other parties thereto pursuant to the Restructuring Plan, as applicable, collectively: (i) Exclusive Technology Service Agreements (□□□□□□□□), (ii) Exclusive Call Option Agreement (□□□□□□□), (iii) Voting Rights Proxy Agreements (□□□□□□□□□), and (iv) Equity Pledge Agreement (□□□□□□).
"**Conversion Shares**"	means the Ordinary Shares of the Company issuable upon conversion of the Subscription Shares or the Adjustment Shares.
"**Damages**"	has the meaning given in Section 10.1.
"**Disclosing Party**"	has the meaning given in Section 14.11.4.
"**Domestic Company**"	has the meaning given in the Recitals.
"**Domestic Resident**"	has the meaning set forth in Circular 37 and/or other Law related to Circular 37.
"**Employment-Related Agreement**"	means an employment agreement containing confidentiality, non-compete and invention assignment provisions, or a set of agreements entered into by an employee of a Group Company (including any Key Employee, current or future employee, officer and consultant) with respect to his or her employment with such Group Company, in form and substance satisfactory to the Investor.
"**Equity Securities**"	means, with respect to a given Person, any share, share capital, registered capital, ownership interest, partnership interest, equity interest, joint venture or other ownership interest of such Person, or any option, warrant, or right to subscribe for, acquire or purchase any of the foregoing, or any other security or instrument convertible into or exercisable or exchangeable for any of the foregoing, or any equity appreciation, phantom equity, equity plan or similar right with respect to such Person, or any Contract of any kind for the purchase or acquisition from such Person of any of the foregoing, either directly or indirectly.

"**ESOP**"	means a share incentive plan or other similar arrangements of the Company to be approved by the board of directors of the Company after the Closing pursuant to the Shareholders Agreement.
"**EU**"	has the meaning given in Section 5.11.7(a)1.
"**Financial Statements**"	means the following financial statements, including the related notes and schedules thereto: (i) the consolidated financial statements for the Group Companies as of the Balance Sheet Date prepared by a Big-Four Accounting Firm approved by the Investor, and (ii) the unaudited consolidated balance sheet and the related consolidated statements of income and cash flows for the Company and the unaudited balance sheet and the related statements of income and cash flows for each of the Group Companies as of January 31, 2018.
"**Founder**"	has the meaning given in the Recitals.
"**Fundamental Warranties**"	has the meaning given in Section 12.
"**Funding Date**"	has the meaning given in Section 2.1.
"**Government Official**"	means any officer, employee or other Person acting in an official capacity for any Governmental Authority, to any political party or official thereof or any candidate for any political office.
"**Governmental Authority**"	means any nation, government, province, state, or any entity, authority or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any government authority, agency, department, board, commission or instrumentality of any government or any political subdivision thereof, court, tribunal, arbitrator, the governing body of any securities exchange, and self-regulatory organization, in each case having competent jurisdiction.
"**Group Companies**"	means, collectively, the Company, the BVI Subsidiary, the US Subsidiaries, the HK Subsidiary, the PRC Subsidiaries and any other Subsidiaries of the foregoing from time to time, with each of such Group Companies being referred to as a "**Group Company**".
"**Guangzhou Qingke**"	has the meaning given in Exhibit III.
"**Guqing Property**"	has the meaning given in Exhibit III.
"**Hangzhou Qingke**"	has the meaning given in Exhibit III.
"**Hefei Qingke**"	has the meaning given in Exhibit III.
"**HK Subsidiary**"	has the meaning given in the Recitals.

"**HKIAC**"	has the meaning given in Section 14.13.
"**HMT**"	has the meaning given in Section 5.11.7(a)1.
"**Holding Company**"	has the meaning given in the Recitals.
"**Hong Kong**"	means Hong Kong Special Administrative Region of the PRC.
"**Huarui Bank**"	means Shanghai Huarui Bank Co., Ltd.(□□□□□□□□□□□□).
"**Huarui Warrant**"	means, the warrant entitled Huarui Bank to purchase certain number of Ordinary Shares issued by the Company pursuant to a Certificate and Undertaking of Shares Warrant (□□□□□□□□□□□□) executed by Qingke Public Rental at the subscription price of US$0.25 per share.
"**Huarui Warrant Shares**"	means, 8,917,557 Class A Ordinary Shares issuable upon exercise by Huarui Bank of the subscription right attaching to the Huarui Warrant.
"**Indemnified Party**"	has the meaning given in Section 10.1.
"**Indemnifying Party**"	has the meaning given in Section 10.1.
"**Interested Party**"	means a Founder, any shareholder, director, officer or employee of a Group Company, or any Affiliate of the foregoing.
"**Investor**"	has the meaning given in the Recitals.
"**Jiaxing Huicai**"	has the meaning given in Exhibit III.
"**Jiaxing Public Rental**"	has the meaning given in Exhibit III.
"**Jiaxing Qingke Talent Apartment**"	has the meaning given in Exhibit III.
"**Key Employee**"	means the employees of the Group Companies as set forth in Exhibit VII hereto.
"**Knowledge**"	means the actual or constructive knowledge of a Person after due and diligent inquiries of officers, directors and other employees of such Person reasonably believed to have knowledge of the matter in question.
"**Law**"	means any law, rule, constitution, code, ordinance, statute, treaty, decree, regulation, common or customary law, order, official policy, circular, provision, administrative order, interpretation, injunction, judgment, ruling, assessment, writ or other legislative measure of any Governmental Authority.
"**Liability**" or "**Liabilities**"	means, with respect to any Person, all liabilities, obligations and commitments of such Person of any nature, whether accrued, absolute, contingent or otherwise, and whether due or to become due.

"**Lien**"	means any mortgage, pledge, security interest, encumbrance, title defect, lien, charge, restriction, covenant, other limitation, Liability or claim of any kind whatsoever.
"**Lingqing Property**"	has the meaning given in Exhibit III.
"**Management**"	has the meaning given in Section 4.2(a)(v).
"**Management Adjustment Shares**"	has the meaning given in Section 4.2(a)(v).
"**Material Adverse Effect**"	means fact, event, change, circumstance, or effect that causes, or is reasonably likely to cause, a material adverse effect on the operations, results of operations, condition (financial or otherwise), assets, Liabilities, employees or business of any Group Company (as presently conducted and proposed to be conducted) or on the ability of any Group Company to perform its material obligations under any Transaction Document to which it is a party or on the enforceability of any Transaction Document against any Group Company, either individually or when taken together with other effects.
"**Material Contracts**"	has the meaning given in Section 5.9.1.
"**Minqing Property**"	has the meaning given in Exhibit III.
"**Nanjing Qingke**"	has the meaning given in Exhibit III.
"**Non-Disclosing Parties**"	shall be defined as in Section 14.11.4.
"**OFAC**"	has the meaning given in Section 5.11.7(a)1.
"**Operating Company**" or "**Operating Companies**"	means collectively, the Domestic Company and its Subsidiaries.
"**Ordinary Shares**"	means collectively, the Company's Class A Ordinary Shares and Class B Ordinary Shares.
"**Party**" or "**Parties**"	has the meaning given in the Recitals.
"**Performance Adjustment Shares**"	has the meaning given in Section 4.2(a)(iv).
"**Person**"	means any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise, entity or legal person.
"**PFIC**"	has the meaning given in Section 5.18.10.
"**PRC**"	means the People's Republic of China, excluding Hong Kong, Taiwan and Macau Special Administrative Region.

"**PRC GAAP**"	means the generally accepted accounting principles of the PRC.
"**PRC Subsidiaries**"	means the WFOE, the Domestic Company, Qingke Chuangyi, Suzhou Qingke, Minqing Property, Tangqing Property, Qingteng Investment, Qingke Public Rental, Guqing Property, Qingke Equipment Rental, Baoshan Public Rental, Jiaxing Public Rental, Hangzhou Qingke, Guangzhou Qingke, Beijing Qingke, Beijing Qingke Investment, Tianjin Qingke, Chengdu Qingke, Nanjing Qingke, Hefei Qingke, Xiamen Qingke, Wuhan Qingke, Jiaxing Qingke Talent Apartment, Jiaxing Huicai and any other current and future corporation, company (including any limited liability company), association, partnership, joint venture or other business entity from time to time organized and existing under the law of the PRC (i) which is a Subsidiary of the Company or (ii) whose financial reporting is consolidated with the Company or its Subsidiary in any of their audited financial statements, with each of such PRC Subsidiaries being referred to as a "**PRC Subsidiary**".
"**Preferred Shares**"	means the preferred shares of par value of US$0.00001 each in the authorised share capital of the Company including without limitation the Series C-2 Shares, the Series C-1 Shares, the Series C Shares, the Series B Shares and Series A Shares or any of the foregoing shares as the context may require.
"**Principal Business**"	means the business of (i) online and offline house rental and house trust; (ii) online and offline rental of household appliance and furniture; (iii) online and offline rental (long-term) information service; (iv) internet value-added services; (v) platform business; (vi) property management business and any other businesses related to businesses above.
"**Proposal**"	has the meaning given in Section 7.16.
"**Proprietary Assets**"	means (i) all inventions and patents, together with all applications, reissuances, continuations, revisions, and extensions thereof, (ii) all registered and material unregistered trademarks, service marks, trade dress, logos, trade names and corporate names and domain names, together with all translations, adaptations, derivations and combinations thereof and including all goodwill and all applications, registrations and renewals in connection therewith, (iii) all copyrightable works (including, without limitation, all works of authorship, works made for hire and mask works), all copyrights (together with all applications, registrations and renewals in connection therewith) and all material unregistered copyrights, (iv) all trade secrets and confidential business information (including ideas, know-how, formulas, compositions, manufacturing and production processes and techniques, methods, technology, technical data, designs, drawings, flowcharts, diagrams, specifications, customer and supplier lists, pricing and cost information and business and marketing plans and proposals), (v) all Software, (vi) all other proprietary rights, (vii) all licenses, sublicenses, agreements, consents or permissions related to the foregoing, (viii) all media on which any of the foregoing is stored or all documentation related to any of the foregoing and (viii) any of the above reflected in the balance sheets of the Financial Statements and in the asset list attached to the Restructuring Plan and the Qingke Robot Assets Purchase Plan.

"**QEF Election**"	has the meaning given in Section 7.6.2.
"**Qingke Chuangyi**"	has the meaning given in Exhibit III.
"**Qingke Equipment Rental**"	has the meaning given in Exhibit III.
"**Qingke Public Rental**"	has the meaning given in Exhibit III.
"**Qingke Robot**"	means Shanghai Qingke Robot Technology Co., Ltd. (□□□□□□□□□□□□□□□□)
"**Qingke Robot Assets Purchase Plan**"	means the Qingke Robot Assets Purchase Plan as set out in Exhibit IX of this Agreement
"**Qingke Shishang**"	means Shanghai Qingke Shishang Living Service Company Limited by Shares (□□□□□□□□□□□□□□□□□).
"**Qingke Shishang Group Companies**"	means, collectively, Qingke Shishang and any of its Subsidiaries prior to the Restructuring (including but not limited to Qingke Chuangyi, Suzhou Qingke, Minqing Property, Tangqing Property, Shanghai Qingteng Investment, Qingke Public Rental and Guqing Property), with each of such Qingke Shishang Group Companies being referred to as a "**Qingke Shishang Group Company**".
"**Qingteng Investment**"	has the meaning given in Exhibit III.
"**QIPO**"	means a firm commitment underwritten public offering of the Ordinary Shares (or securities representing such Ordinary Shares) on an internationally recognized securities exchange or board (whether in the United States or in another jurisdiction) as may be approved by the Investor: (i) pursuant to which all Shares converted from the Preferred Shares will become listed and publicity tradable; (ii) with a pre-offering market capitalization of the Company of US$800,000,000 or more (on a fully diluted basis); and (iii) where such public offering results in proceeds to the Company in excess of US$160,000,000, after deducting all expenses of the public offering, including but not limited to underwriters fees, legal expenses, auditors fees and other third party expenses, *provided*, *however*, subject to the provisions set forth in the Shareholders Agreement and the Restated Articles, if all the directors appointed by the holders of the Series A Shares, Series B Shares and Series C Shares have reached consensus on the plan of an initial public offering, the Investor agrees to waive (ii) and (iii) above to the extent that such agreed initial public offering shall (x) have a pre-offering market capitalization of the Company of no lower than US$600,000,000 (on a fully diluted basis); and (y) result in proceeds to the Company in excess of 20% of the pre-offering market capitalization (after deducting all expenses), which shall be no lower than US$120,000,000.

"**QIPO Adjustment Shares**"	has the meaning given in Section 2.2.1.
"**Relief**"	includes any relief, loss, allowance, exemption, set-off, deduction or credit in computing or against profits or Tax available to any Group Company granted by or pursuant to any legislation, rules, regulations and codes and any subsidiary rules or provisions issued concerning or otherwise relating to Tax.
"**Replacement Auditor**"	has the meaning given in Section 4.2(a)(ii).
"**Restated Articles**"	means the amended and restated Memorandum and Articles substantially in the form as attached hereto as Exhibit V.
"**Restricted Business**"	means any business that is related to the Principal Business or otherwise competes with the Group Companies.
"**Restructuring**"	means a series of transactions and corporate actions (including but not limited to the transfer of certain properties, assets and contract rights) between the Group Companies and the Qingke Shishang Group Companies as contemplated under the Restructuring Plan.
"**Restructuring Plan**"	means the restructuring plan of the Group Companies as set forth in Exhibit IX of the share purchase agreement relating to the purchase of the Series B Shares dated April 21, 2015.
"**RMB**"	means the lawful currency of the PRC from time to time.
"**SAFE**"	means the State Administration of Foreign Exchange of the PRC and its local branches.
"**SAFE Rules and Regulations**"	means Circular 37, and any other guidelines, implementing rules, reporting and registration requirements issued by SAFE.
"**Sanctions**"	has the meaning given in Section 5.11.7(a)1.
"**Securities Act**"	means the US Securities Act of 1933, as amended and interpreted from time to time.
"**Series A-1 Shares**"	means the Company's series A-1 preferred shares, par value US$0.00001 per share.
"**Series A-2 Shares**"	means the Company's series A-2 preferred shares, par value US$0.00001 per share.
"**Series A-3 Shares**"	means the Company's series A-3 preferred shares, par value US$0.00001 per share.

"**Series A Shares**"	means, collectively, the Company's series A-1 Shares, Series A-2 Shares and Series A-3 Shares.
"**Series B Shares**"	means, the Company's series B preferred shares, par value 0.00001 per share.
"**Series C Shares**"	means, the Company's series C preferred shares, par value 0.00001 per share.
"**Series C-1 Shares**"	means, the Company's Series C-1 preferred shares, par value 0.00001 per share.
"**Series C-2 Shares**"	means, the Company's Series C-2 preferred shares, par value 0.00001 per share.
"**Shareholders Agreement**"	means the Shareholders Agreement substantially in the form as attached hereto as Exhibit IV, as amended from time to time.
"**Social Security Funds**"	means all employee social welfare and benefit funds, including housing accumulation funds, required to be contributed by the PRC Subsidiaries under applicable PRC Laws.
"**Software**"	means computer programs, including any and all software implementation of algorithms, models and methodologies (whether in source code or object code), databases and compilations (including any and all data and collections of data), and all related documentation.
"**Subscription Price**"	has the meaning given in Section 2.2.
"**Subscription Shares**"	has the meaning given in Section 2.1.
"**Subsidiary**"	means, (i) in respect of any Person, any corporation, company (including any limited liability company), association, partnership, joint venture or other business entity of which at least a majority of the total voting power of the voting stock is at the time owned or controlled (including contractual control), directly or indirectly, by: (a) such Person, (b) such Person and one or more Subsidiaries of such Person, or (c) one or more Subsidiaries of such Person. and (ii) in respect of the Company, any of its PRC Subsidiaries in addition to any Subsidiary described above, any Person Controlled directly or indirectly by any of the foregoing and any Person whose financial statements are consolidated into those of the Company under the applicable accounting standards.
"**Suzhou Qingke**"	has the meaning given in Exhibit III.
"**Tangqing Property**"	has the meaning given in Exhibit III.

"**Tax Return**"	means any return, report or statement showing Taxes, used to pay Taxes, or required to be filed with respect to any Tax (including any elections, declarations, schedules or attachments thereto, and any amendment thereof), including any information return, claim for refund, amended return or declaration of estimated or provisional Tax.
"**Tax**" or "**Taxes**"	means (i) any national, provincial, municipal, or local taxes, charges, fees, levies, or other assessments, including, without limitation, all net income (including enterprise income tax and individual income withholding tax), turnover (including value-added tax, business tax, and consumption tax), resource (including urban and township land use tax), special purpose (including land value-added tax, urban maintenance and construction tax, and additional education fees), property (including urban real estate tax and land use fees), documentation (including stamp duty and deed tax), filing, recording, social insurance (including pension, medical, unemployment, housing, and other social insurance withholding), tariffs (including import duty and import value-added tax), and estimated and provisional taxes, charges, fees, levies, or other assessments of any kind whatsoever, (ii) all interest, penalties (administrative, civil or criminal), or additional amounts imposed by any Governmental Authority in connection with any item described in (i) above, (iii) any form of transferee Liability imposed by any Governmental Authority in connection with any item described in (i) and (ii) above, and (iv) all similar Liabilities as described in the foregoing.
"**Tianjin Qingke**"	has the meaning given in Exhibit III.
"**Transaction Documents**"	means, collectively, this Agreement, the Shareholders Agreement, the Restated Articles, and all ancillary documents as referred to in such documents.
"**UNSC**"	has the meaning given in Section 5.11.7(a)1.
"**Updated Disclosure Schedule**"	has the meaning given in Section 7.22.
"**US" or "United States**"	means the United States of America.
"**US$**"	means the lawful currency of the United States from time to time.
"**US GAAP**"	means the generally accepted accounting principles of the United States.
"**US Subsidiaries**"	has the meaning given in the Recitals.
"**US Subsidiary**"	has the meaning given in the Recitals.
"**Warranties**"	means the representations and warranties set out in Section 4 given by the Warrantors and any other representations or warranties made by or on behalf of the Warrantors in this Agreement or which have become terms of this Agreement (with each of such Warranties being referred to as a "**Warranty**").

"**Warrantors**"	means, collectively, the Group Companies, the Founder and the Holding Company.
"**WFOE**"	has the meaning given in the Recitals.
"**Wuhan Qingke**"	has the meaning given in Exhibit III.
"**Xiamen Qingke**"	has the meaning given in Exhibit III.

PART II: INTERPRETATION

1. Share Calculation. In calculations of share numbers, (i) references to a "fully diluted basis" mean that the calculation is to be made assuming that all outstanding options, warrants and other Equity Securities convertible into or exercisable or exchangeable for Ordinary Shares (whether or not by their terms then currently convertible, exercisable or exchangeable) have been so converted, exercised or exchanged, (ii) references to a "non-diluted basis" mean that the calculation is to be made not taking into account the Additional ESOP Shares and the Huarui Warrant Shares, and (iii) references to an "as converted basis" mean that the calculation is to be made assuming that all Preferred Shares in issue have been converted into Ordinary Shares. All calculations shall be deemed to be on a fully diluted and as converted basis unless otherwise specified. Any share number or per share amount referred to in this Agreement shall be appropriately adjusted to take into account any bonus share issue, share subdivision, share combination, share split, recapitalization, reclassification or similar event affecting the Ordinary Shares after the date of this Agreement. Any reference to or calculation of Shares in issue shall exclude treasury shares.

2. Agreed Terms. References to a document "in the agreed terms" shall be to a document agreed between and initialed for identification by or on behalf of the Investor and the Company.

EXHIBIT II

CAPITALIZATION TABLE IMMEDIATELY PRIOR TO AND AFTER THE CLOSING
[Separately attached]

EXHIBIT III
SUBSIDIARIES OF DOMESTIC COMPANY

1. Shanghai Qingke Chuangyi Industrial Supporting Property Management Co., Ltd. (□□□□□□□□□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Qingke Chuangyi**");

2. Suzhou Qingke Information Technology Co., Ltd. (□□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Suzhou Qingke**");

3. Shanghai Lingqing Property Management Co., Ltd. (□□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Lingqing Property**")

4. Shanghai Minqing Property Service Co., Ltd., a limited liability company established under the PRC Laws (□□□□□□□□□□□□□) ("**Minqing Property**");

5. Shanghai Tangqing Property Management Co., Ltd., a limited liability company established under the PRC Laws (□□□□□□□□□□□□□) ("**Tangqing Property**");

6. Shanghai Qingteng Investment Management Center LLP, a limited liability partnership established under the PRC Laws (□□□□□□□□□□□(□□□□)) ("**Qingteng Investment**");

7. Shanghai Qingke Trading Co., Ltd. (□□□□□□□□□□□)**,** a limited liability company established under the PRC Laws ("**Shanghai Qingke Trading**");

8. Shanghai Qingke Public Rental Housing Leasehold Operation and Management Company Limited by Shares, a company limited by shares incorporated under the PRC Laws (□□□□□□□□□□□□□□□□□□□□□□□□□□) ("**Qingke Public Rental**");

9. Shanghai Guqing Property Management Co., Ltd., a limited liability company established under the PRC Laws (□□□□□□□□□□□□□) ("**Guqing Property**");

10. Shanghai Qingke Equipment Rental Co., Ltd. (□□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Qingke Equipment Rental**");

11. Shanghai Baoshan Qingke Public Rental Leased Housing Operation and Management Co., Ltd. (□□□□□□□□□□□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Baoshan Public Rental**");

12. Jiaxing Qingke Public Rental Housing Leasehold Investment Management Company Limited by Share (□□□□□□□□□□□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Jiaxing Public Rental**");

13. Hangzhou Qingke Apartment Management Co., Ltd. (□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Hangzhou Qingke**");

14. Guangzhou Qingke Apartment Hotel Management Co., Ltd. (□□□□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Guangzhou Qingke**");

15. Beijing Qingke Property Management Co., Ltd. (□□□□□□□□□□□□), a limited liability company established under the PRC Laws ("**Beijing Qingke**");

16. Tianjin Qingke Apartment Management Co., Ltd. (□□□□□□□□□□□□)**,** a limited liability company established under the PRC Laws ("**Tianjin Qingke**");

17. Chengdu Qingke Apartment Management Co., Ltd. (□□□□□□□□□□□□)**,** a limited liability company established under the PRC Laws ("**Chengdu Qingke**");

18. Nanjing Qingke Apartment Management Co., Ltd. (□□□□□□□□□□□□)**,** a limited liability company established under the PRC Laws ("**Nanjing Qingke**");

19. Hefei Qingke Property Management Co., Ltd. (□□□□□□□□□□□□)**,** a limited liability company established under the PRC Laws ("**Hefei Qingke**");

20. Xiamen Qingke Apartment Management Co., Ltd. (□□□□□□□□□□□□)**,** a limited liability company established under the PRC Laws ("**Xiamen Qingke**");

21. Wuhan Qingke Apartment Hotel Management Co., Ltd. (□□□□□□□□□□□□□□□)**,** a limited liability company established under the PRC Laws ("**Wuhan Qingke**");

22. Jiaxing Qingke Talent Apartment Construction and Development Co., Ltd. (□□□□□□□□□□□□□□□□□)**,** a limited liability company established under the PRC Laws ("**Jiaxing Qingke Talent Apartment**"); and

23. Jiaxing Huicai Property Management Co., Ltd. (□□□□□□□□□□□□)**,** a limited liability company established under the PRC Laws ("**Jiaxing Huicai**").

EXHIBIT IV

FORM OF SHAREHOLDERS AGREEMENT

EXHIBIT V

FORM OF RESTATED ARTICLES

EXHIBIT VI

DISCLOSURE SCHEDULE

EXHIBIT VII

LIST OF KEY EMPLOYEES

EXHIBIT VIII

NOTICES

IF TO THE WARRANTORS:

Address: □□□□□□□□□□596□□□□□ A□1607□

Fax: 86-21-64179303

Tel: 86-21-64179625

Attn: □□□

IF TO THE INVESTOR:

CP QK Singapore Pte Ltd.

Address: One Temasek Avenue, #20-01 Millenia Tower Singapore 039192

Telephone: +65 6511 3088

Facsimile: +65 6223 5992

With a copy to:

Name: Lawrence Lim

Email: llim@cgcm.com

EXHIBIT IX

PROPRIETARY ASSETS OF QINGKE SHISHANG

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the use in this Registration Statement on Form F-1 of our report dated June 28, 2019 (September 17, 2019 as to the convenience translation described in Note 2) relating to the consolidated financial statements of Q&K International Group Limited, its subsidiaries and consolidated variable interest entities (which report expresses an unqualified opinion and includes an explanatory paragraph referring to the translation of Renminbi amounts to United States dollar amounts), appearing in the Prospectus, which is part of this Registration Statement.

We also consent to the reference to us under the heading “Experts” in such Prospectus.

/s/ Deloitte Touche Tohmatsu Certified Public Accountants LLP

Shanghai, China

October 25, 2019